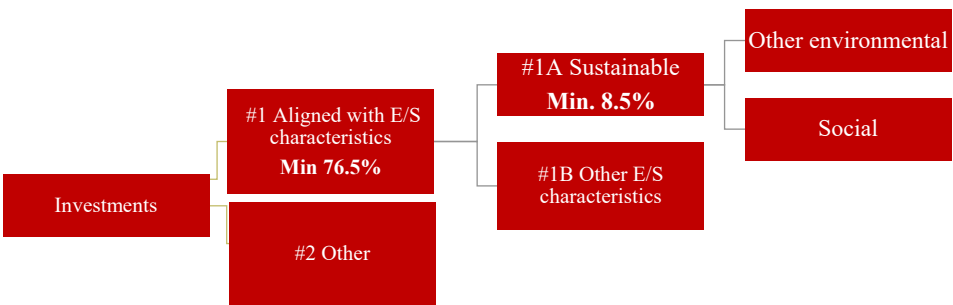


LUX IM – MORGAN STANLEY GLOBAL BRANDS (“Sub-fund”)

Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

Section	Disclosure
No sustainable investment objective	The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	<p>The Sub-fund is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares of Morgan Stanley Investment Funds – Global Brands Fund (the "Master UCITS"). The Master UCITS is a sub-fund of Morgan Stanley Investment Funds, an open-ended investment company with variable capital set forth in a form of an umbrella fund, incorporated in Luxembourg, and authorized as an undertaking for collective investment in transferable securities pursuant to the part I of the UCI Law.</p> <p>The Master UCITS promotes the environmental characteristic of climate change mitigation by excluding investments in: (i) companies with any tie to fossil fuels; and (ii) companies in certain other energy intensive sectors. For the avoidance of any doubt, the Master UCITS does not seek to make investments that contribute to climate change mitigation within the meaning of the EU Taxonomy.</p> <p>In addition, the Master UCITS considers social characteristics by applying binding exclusions on: (i) companies whose core business activity involves weapons or civilian firearms; and (ii) that have any tie to controversial weapons.</p> <p>In addition, the Master UCITS commits to invest a proportion of its assets in companies classified as sustainable investments through an assessment comprising three tests as per SDFR.</p>
Investment strategy	<p>The Sub-fund is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares Morgan Stanley Investment Funds – Global Brands Fund (the "Master UCITS").</p> <p>The Master UCITS' investment objective is to seek an attractive long-term rate of return, measured in U.S. Dollars. The Master UCITS primarily invests (at least 70% of total net assets) in equities of companies in the world's developed countries.</p> <p>The Master UCITS may also invest, on an ancillary basis (up to 30% of total net assets), in equities of companies located in emerging markets, including up to 10% of its net assets in China A-shares (through stock connect). Investment in equities of companies may also include preference shares, debt securities convertible into common shares or preferences shares, and other equity-related securities.</p> <p>The Investment Manager seeks to invest in a concentrated portfolio of high-quality companies with sustainably high returns on operating capital and whose success the Investment Manager believes depends on intangible assets (for example, but not limited to, brand names, copyrights or methods of distribution) underpinning a strong business franchise.</p> <p>As an essential and integrated part of the investment process, the investment manager assesses relevant factors potentially material to long-term sustainably high returns on operating capital including ESG factors and seeks to engage with companies as part of this. Subject to the Master UCITS' investment objective and its binding Article 8 characteristics (as explained below), the investment manager retains discretion over which investments are selected. While ESG considerations are an integrated and fundamental part of the investment process, ESG factors are not the sole determinant of whether an investment can be made or a holding can remain in the Master UCITS's portfolio, but instead the investment manager considers potentially material risks or opportunities in any of the ESG areas which could potentially threaten or enhance the high returns on operating capital of a company.</p> <p>The investment manager monitors business practices on an on-going basis, through data on ESG controversies and standards screening that the investment manager sources from third party providers, including UN Global Compact violations, as well as its own engagement with companies and research. The investment manager reviews securities of issuers where it believes a significant breach of the above standards and principles has occurred and typically excludes such issuers where, after conducting our research and/or engagement, the investment manager believes the breach is material to the sustainability of returns on operating capital, poses significant financial and reputational risk and the issuer has not committed to appropriate remedial action. Such exclusions are determined by the investment manager in its discretion rather than by reliance on third party analysis. The analysis may be supported by third party ESG controversies analysis and business involvement metrics.</p>
Proportion of investments	The Sub-fund will invest at least 85% of its net assets in the Master UCITS. As a consequence, the minimum proportion of the Sub-fund's net assets invested in assets aligned to the promoted environmental and social characteristics and in Sustainable Investments is 76.5% and 8.5%, respectively.

Section	Disclosure
	 <p>For the Master UCITS, the environmental and social exclusions are expected to apply to at least 90% of the portfolio. The Investment Adviser anticipates that the remainder of the Master UCITS will be made up of investments held for ancillary liquidity, including cash and money market instruments, with this proportion not expected to comprise more than 10% of the Master UCIT's assets. No minimum environmental or social safeguards are applied to such investments.</p> <p>The Master UCITS also expects a minimum of 10% of its assets to be classified as sustainable investments. Among these, the Master UCITS expects a minimum of 1% of its assets to be classified as sustainable investments with an environmental objective and 1% as sustainable investments with a social objective which can both vary independently at any time.</p>
Monitoring of environmental or social characteristics	<p>In order to attain the promoted environmental and social characteristics, the following binding elements are used by the Master UCITS:</p> <ul style="list-style-type: none"> ▪ Exclusionary screening (environmental and social) ▪ Sustainable Investments (the Master UCITS classifies a Company as a sustainable investment using a framework based on three tests: i) good governance, ii) do not significant harm, iii) positive contribution to environmental or social objective))
Methodologies for environmental or social characteristics	<p>In order to attain the promoted environmental and social characteristics, the eligibility of target investments is assessed based on the Exclusionary screening, Sustainable Investments.</p> <p>Internal controls are in place in respect of investment decision making for the Master UCITS. These include, but are not limited to, pre-trade and post-trade controls to ensure all applicable binding elements are observed at all times and independent oversight by risk management functions as required.</p>
Data sources and processing	<p>The Investment Managers uses data from various external data vendors. Data quality is maintained through provider collaboration and due diligence.</p> <p>Due to gaps in data coverage, a small proportion of the data which is used to assess alignment with E/S characteristics is estimated by third-party data providers.</p>
Limitations to methodologies and data	<p>Considering the above detailed investment methodology as well as the data sources, the limitations to the attainment of the promoted environmental and social characteristics, are deemed non-material. The investment manager does not consider that these limitations hinder the fund's ability to meet its environmental and social characteristics and takes reasonable steps to manage this risk, including by reviewing and assessing proxies to ensure they are reliable substitutes and through the Investment Manager level procedures to assess data quality.</p>
Due Diligence	<p>In order to qualify for initial investment, the target investments must comply with the binding elements applied by the Master UCITS. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place</p>
Engagement Policies	<p>The investment manager's ESG engagements generally have three key purposes: assessment of the potential financial materiality of specific ESG issues relevant to companies and their strategies to address these issues, monitoring of progress, and encouraging companies towards better practices.</p>
Designated reference benchmark	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>