Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Global Balanced Sustainable Fund**

Legal entity identifier: **549300UMQ7ETEXI51419**

Reference period: **01 January 2022 to 31 December 2022**

Unless stated otherwise, the values below have been calculated based on the Fund's investments as of 30 December 2022

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 41.76% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the reference period, the Fund promoted a number of binding environmental and social characteristics, as described below.

Equity investments

- Exclusions: The Fund promoted the environmental characteristics of climate change mitigation by excluding investments in certain types of fossil fuels, namely Thermal Coal Mining and Oil Sands Extraction, and of avoiding environmental harm by excluding investments which caused severe environmental harm where appropriate remedial action had not been taken. In addition, the Fund promoted the social characteristic of avoiding investments in activities which can cause harm to human health and wellbeing. Further detail on the nature of these exclusions is set out below in response to the question "How did the sustainability indicators perform?".

- ESG tilt: the Fund promoted environmental objectives (such as: reducing carbon emissions; and preventing pollution and waste), social objectives (such as: tackling inequality or fostering social cohesion; promoting social integration and labour relations; investing in human capital; promoting access to finance and healthcare; and promoting nutrition and health) and governance objectives (such as good corporate governance and corporate behaviour) by applying an ESG tilt within the portfolio for all equity securities, using the MSCI ESG score and the MSCI Low Carbon Transition score.

- Carbon budget: The Fund promoted the environmental characteristic of reducing carbon emissions, by applying a carbon budget to all equity securities in the Fund's portfolio every year. This carbon budget characteristic applied to investments in equity securities made directly by the Fund, but did not apply to equity securities held by the fund indirectly through investments in exchange-traded funds (ETFs) or other types of fund.

Government bonds

- The Fund promoted the environmental and social characteristic of encouraging countries to manage their ESG risks. The Fund achieved this through : (1) excluding investing in the government bonds of countries performing poorly on managing their ESG risks; and (2) applying an ESG tilt to the government bonds benchmark, so that the Fund's investments in government bonds tracked a better ESG profiled benchmark in this regard. The process, however, remained subject to the Investment Adviser's credit research overlay, which resulted in changes to the weightings of sovereigns resulting from the process described to account for the Investment Adviser's views on the credit quality of those sovereigns.

Credit

- Exposure to ESG CDS: The Fund sold credit protection under index credit default swaps ("CDS") in order to gain exposure to corporate credit. The Fund gained this exposure through one ESG-aligned CDS, which referenced the iTraxx MSCI ESG Screened Europe Index. Exposure to this index meant that the Fund's credit exposure was targeted towards issuers that exhibit stronger performance with respect to management of ESG risks, as the index is screened by MSCI to exclude issuers with exposure to certain activities that have the potential to be harmful to human health and wellbeing, that have been subject to ESG controversies, or that have an MSCI ESG rating of BBB and below.

Solution providers

- The Fund promoted the characteristic of contributing to a number of social and environmental themes, by allocating a minimum percentage of investments to products offered by solution providers (i.e., external fund managers) who invested in businesses and activities that provided solutions across a number of social and environmental themes. The selection process examined the manager's target themes, investment philosophy, investment process and (for solution

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

providers which invest in equities) the weighted average revenue-alignment of the manager's funds to environmental and social themes.

Sustainable investments

- The Fund made a certain number of sustainable investments, as explained in response to the question, "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?"

There were no exceptions to the Fund's attainment of its environmental and social characteristics.

How did the sustainability indicators perform?

Sustainability Indicator	Indicator Threshold	2022 Indicator Value
Exclusions:		
Equity & Credit investments:		
% of the Fund's exposure to corporate issuers or issuers of directly held corporate bond investments which derive revenue from:		
thermal coal mining (>5% revenue)	0.00%	0.00%
oil Sands Extraction (>5% revenue)	0.00%	0.00%
controversial weapons	0.00%	0.00%
civilian firearms	0.00%	0.00%
tobacco (>10% revenue)	0.00%	0.00%
gambling (>10% revenue)	0.00%	0.00%
adult entertainment (>10% revenue)	0.00%	0.00%
% of the Fund's exposure to corporate issuers which have experienced ESG controversies	0.00%	0.00%
Government Bonds:		
% of the Fund's exposure to sovereign issuers which have MSCI ESG Government Score of 'CCC'	0.00%	0.00%
ESG Tilt:		
Equity investments:		
The Fund allocated its global equity investments to five regional baskets. The Investment Adviser aimed to ensure: (1) that each regional basket outperformed the equivalent benchmark for that region with regard to the ESG score and the Low Carbon Transition score; and (2) that the core equity as a whole outperformed the MSCI ACWI index with regard to those scores.		
ESG Score of the benchmark named below that of the Fund, in each of the following regions:		
US Basket (Reference Index S&P 500)	6.69	7.63
Europe (Reference Index MSCI Europe)	7.88	8.74
Japan Basket (Reference Index MSCI Japan)	7.09	8.04
Emerging Markets Basket (Reference Index MSCI Emerging Markets)	5.41	6.35

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

Sustainability Indicator	Indicator Threshold	2022 Indicator Value
Asia-ex Japan Basket (Reference Index MSCI Asia ex-Japan)	5.65	6.28
Total ESG Score of the MSCI ACWI index and that of the Fund:	6.20	7.79
Low Carbon Transition Score of the benchmark named below for the region and that of the Fund, in each of the following regions:		
US Basket (Reference Index S&P 500)	6.10	6.31
Europe (Reference Index MSCI Europe)	5.93	6.26
Japan Basket (Reference Index MSCI Japan)	6.06	6.40
Emerging Markets Basket (Reference Index MSCI Emerging Markets)	5.91	6.18
Asia-ex Japan Basket (Reference Index MSCI Asia ex-Japan)	5.98	6.22
Total Low Carbon Transition Score of the MSCI ACWI index and that of the Fund:	5.54	6.30
Government Bonds:		
The Fund overweighted sovereigns which were outperforming the average performance in the Bloomberg Global G7 Total Return Index (excluding elements of the index concerning Canada) and underweighted those underperforming the average performance of the benchmark, with regard to the GBaR Government ESG score (and subsequently applied a credit overlay), to create a proprietary Sovereign ESG benchmark. The MSCI ESG Gov Score of the benchmark and that of the Fund (after the credit overlay had been applied) were:	5.87	5.97
Equity Investments Carbon Budget:		
The Investment Adviser aimed to ensure that the equity securities in each regional basket reduced their weighted average carbon intensity (total scope 1 and 2 GHG emissions/ EVIC) each year by 7%, as compared to the basket for that region for the previous year. The carbon intensity of each regional basket for the year 2021, and the % reduction over the reference period were:		
US Basket (Reference Index S&P 500)	25.13	19%
Europe (Reference Index MSCI Europe)	39.76	14%
Japan Basket (Reference Index MSCI Japan)	36.06	21%
Emerging Markets Basket (Reference Index MSCI Emerging Markets)	76.54	19%
Asia-ex Japan Basket (Reference Index MSCI Asia ex-Japan)	59.31	17%
Credit:		
Number of ESG CDS (which referenced the iTraxx MSCI ESG Screened Europe Index) which the Investment Adviser committed to have exposure to, and actual number it had exposure to:	1.00	1.00

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

Sustainability Indicator	Indicator Threshold	2022 Indicator Value
Solution Providers:		
% of investments in products offered by solution providers who invest in businesses and activities that sought to provide solutions across a number of ESG themes:	5.00%	9.00%
Sustainable Investments		
% of Fund investments that were sustainable investments:	30.00%	41.76%

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The sustainable investments of the Fund (which consisted of directly held equity investments, government bonds or investments made indirectly through solution providers) fell within one of the below categories:

i. Equity investments which demonstrated a positive environmental or social contribution via revenue alignment. The Fund used a combination of data sources (including MSCI Sustainable Impact Metrics data and ISS alignment data) to determine if more than 20% of the revenue of the sustainable investment aligned with any of the ISS SDG or MSCI impact themes;

ii. Equity investments which demonstrated operational contribution to environmental themes (for example, by key resource efficiency indicators on the use of energy, or on the production of waste & greenhouse gas emissions) or social themes (for example, labour relations, community relations or investment in human capital). An investment met this test if:

  a. it had an environmental ESG pillar score, as defined by MSCI, which was within the range of environmental ESG pillar scores of the top 10 percentile of MSCI ACWI, provided that its social pillar score was not within the range of the pillar scores of the bottom 10 percentile of MSCI ACWI; or

  b. it had a social ESG pillar score, as defined by MSCI, which was within the range of social ESG score of the top 10 percentile of MSCI ACWI, provided that its environmental pillar scores were not within the range of the pillar scores of the bottom 10 percentile of MSCI ACWI.

  c. Additionally, a security was not deemed to be operationally contributing to climate change or social themes if the environmental or social pillar score which was in the top 10 percentile of MSCI ACWI was deemed "not material" to the security by MSCI. MSCI deems environmental or social pillars as "not material" to the company if the company has limited effect on the environmental or social themes.

iii. sovereign bonds with a Government ESG Rating A or above, as determined by the MSCI ESG Government Rating.

Appendix 9: Sustainable Finance Disclosure (unaudited)
As at 31 December 2022 (continued)

Where the Fund invested via solution providers (i.e., external fund managers), all of the underlying investee companies fulfilled either:

a) the 20% revenue alignment threshold described in (i) above; or

b) criteria (ii) above by, demonstrating operational contribution to environmental themes or social themes.

Only those underlying investee companies which satisfied the tests described above were treated as constituting sustainable investments on a look-through basis and contributing towards the proportion of the Fund's assets allocated towards sustainable investments.

Principal adverse impacts (PAI) are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Investment Adviser applied a "do no significant harm" methodology to the sustainable investments of the Fund, in order to ensure that the sustainable investments of the Fund did not include: (1) investments causing significant harm to any of the principle adverse impact ("PAI") indicators for issuers which are mandatory for the Investment Adviser to consider under the EU Sustainable Finance Disclosure Regulation ("SFDR") rules and which are relevant to the investment; or (2) investments which did not meet the minimum social safeguards set out in the EU SFDR rules.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Investment Adviser excluded from the sustainable investments of the Fund, investments that caused harm to any of the PAI indicators which are mandatory for the Investment Adviser to consider under the EU SFDR rules, and which were relevant to the investment. The Investment Adviser has determined specific thresholds for significant harm based on third-party data. PAI indicators:

The Investment Adviser used reasonable proxy indicators sourced from third parties to address the current lack of data for certain PAI indicators. For example, owing to the absence of reliable and comparable data concerning gender pay gap, the Investment Adviser used an indicator provided by a third-party data vendor which measured controversies relating to discrimination and workforce diversity as a reasonable proxy.

These proxies were and will continue to be kept under review and will continue to be replaced by data from third-party data providers when the Investment Adviser determines that sufficiently reliable data has become available.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Adviser excluded from the sustainable investments of the Fund, any issuers which experienced very severe controversies that were deemed to violate the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, and issuers with very severe controversies related to violations of the OECD Guidelines for Multinational Enterprises. This screening was done using third-party data.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Regulation requires that this document includes these statements. However, for the avoidance of doubt, this Fund has not and does not take into account the EU criteria for environmentally sustainable economic activities in the EU Taxonomy.

How did this financial product consider principal adverse impacts on sustainability factors?

The sustainable investments of the Fund considered all of the mandatory PAI indicators on sustainability factors which were relevant to the investment, by screening out investments which did not meet certain thresholds set by the Investment Adviser for each of the mandatory indicators, as described above in response to the question, "How were the indicators for adverse impacts on sustainability factors been taken into account?".

The equity investments of the Fund (including the portion that was not comprised of sustainable investments) considered the following PAI indicators through the application of the Fund's binding environmental or social characteristics (as described elsewhere in this document):

PAI indicators numbers 1-3 (GHG emissions, carbon footprint and GHG intensity of investee companies): The Fund considered these indicators because:

- it ensured that each regional basket of equity investments reduced its weighted average Scope 1 and 2 carbon emissions/EVIC by 7% each year as compared against the basket for that region for the previous year and
- it applied a tilt considering the Low Carbon Transition score to the equities held in the equity baskets. The Low Carbon Transition score is designed to identify potential leaders and laggards by measuring companies' exposure to and management of risks and opportunities related to the low carbon transition and assesses carbon intensity of each of the equity securities. The Low Carbon Transition score takes into account GHG emissions (scopes 1-3).

Appendix 9: Sustainable Finance Disclosure (unaudited)
As at 31 December 2022 (continued)

- **PAI indicator number 4 (exposure to companies active in the fossil fuel sector):** The Fund considered this PAI indicator in part through its direct investments in equities because it excluded issuers with high exposure to carbon-intensive activities, with a view to mitigation of climate-related financial risks. Namely, the fund excluded companies that derive 5% or more of their revenue from the mining of thermal coal or the extraction of oil sands.

- **PAI indicators numbers 7-9 (activities negatively affecting biodiversity-sensitive areas, emissions to water and hazardous waste and radioactive waste ratio):** The Fund considered these indicators in part through its direct investments in equities because it excluded investments in companies involved in ongoing severe structural controversy cases related to environmental harm where the Investment Adviser believed appropriate remedial action had not been taken. These controversies include controversies relating to Biodiversity & Land Use, Toxic Emissions & Waste, Water Stress, Operational Waste (Non-Hazardous), Supply Chain Management amongst others.

- **PAI indicator number 10 (violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises):** The Fund considered this PAI indicator through its direct investments in equities because it excluded investments in issuers flagged in breach of selected global norms and conventions, including the United Nations Global Compact Principles (UNGC) and OECD Guidelines for Multinational Enterprises.

- **PAI indicator number 14 (exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)):** The Fund considered this PAI indicator through its direct investments in equities because it excluded investments in issuers which derive any revenue from controversial weapons (including all the controversial weapons listed for PAI number 14).

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 50.42%

Security	Sector	% Assets	Country
US Treasury 6.25% 15/05/2030	Government Bond	5.38%	United States of America
US Treasury 4.5% 15/02/2036	Government Bond	4.76%	United States of America
Japan Government Twenty Year Bond 1.7% 20/06/2033	Government Bond	4.18%	Japan
Japan Government Ten Year Bond 0.6% 20/03/2024	Government Bond	3.75%	Japan
US Treasury 5.5% 15/08/2028	Government Bond	3.63%	United States of America
France Government Bond OAT, Reg. S 2.5% 25/05/2030	Government Bond	3.62%	France
Bundesrepublik Deutschland, Reg. S 5.5% 04/01/2031	Government Bond	3.58%	Germany
US Treasury 1.75% 31/01/2023	Government Bond	3.33%	United States of America
US Treasury 1.625% 15/05/2026	Government Bond	3.29%	United States of America
KBI Water Fund ICAV - EUR Class D	Collective Investment Scheme - UCITS	2.96%	Ireland
Wellington Strategic European Equity Fund - EUR Class S Accumulating Unhedged S	Collective Investment Scheme - UCITS	2.88%	Ireland
US Treasury 2.375% 15/05/2029	Government Bond	2.87%	United States of America
Spain Bonos y Obligaciones del Estado, Reg. S, 144A 1.95% 30/07/2030	Government Bond	2.68%	Spain
Lyxor Green Bond DR Fund	Exchange Traded Fund	1.95%	Italy
Bundesobligation, Reg. S 0% 14/04/2023	Government Bond	1.56%	Germany

What was the proportion of sustainability-related investments?

74.30% of the Fund's investments were aligned with the environmental and social characteristics of the Fund.

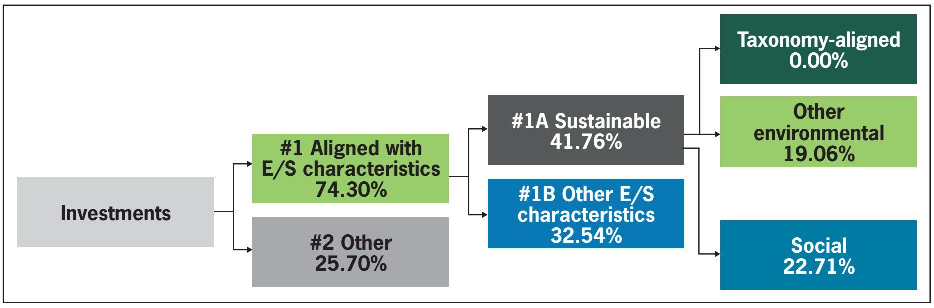
41.76% of the Fund comprised sustainable investments which are further explained in the asset allocation diagram below.

of the Fund's investments were not aligned with the environmental or social characteristics of the Fund and have been included in the "other" category, as described below, in response to the question, "What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?"

Appendix 9: Sustainable Finance Disclosure (unaudited)
As at 31 December 2022 (continued)

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

– The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

– The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The relevant E/S characteristics vary depending on the nature of the Fund's investment. The Investments that were aligned with the E/S characteristics of the Fund were made up of:

- 31.2% equity investments
- 25.8% investments in government bonds
- 9.3% investments in solution providers (i.e., external fund managers)
- 8.1% investments in ESG aligned CDS

The ESG tilt of the portfolio was applied at the level of the five regional baskets and the portfolio as a whole, and not at the level of individual holdings.

Equity investments classified as sustainable investments

The Fund's methodology for categorising equity investments as sustainable investments considers both environmental and social factors (as relevant) as set out above. The Fund does not seek to prioritise one over the other in its investment process and presents the breakdown for SFDR reporting purposes only.

Sovereign investments classified as sustainable investments

The Fund's methodology for categorising sovereign investments as sustainable investments considers both environmental and social factors (as relevant) and as set out above, the Fund does not categorise its sovereign sustainable investments as having either an environmental objective or a social objective.

Solely for SFDR reporting purposes, the Investment Adviser has equally divided the proportion of the Fund's sovereign sustainable investments into environmental and social categories in this question and the questions below ("What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?" and "What was the share of socially sustainable investments?"). These figures and disclosures are not targets or commitments and should not be used to characterise the Fund's investment focus, profile or portfolio from a sustainability perspective.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

In which economic sectors were the investments made?

Sector	% Assets
Government Bond	52.17%
Equity & Corporate Bond	31.20%
Communication Services	2.38%
Consumer Discretionary	3.99%
Consumer Staples	2.92%
Energy	1.33%
Financials	4.64%
Health Care	4.21%
Industrials	3.73%
Information Technology	5.27%
Materials	1.32%
Real Estate	0.85%
Utilities	0.56%
Collective Investment Scheme - UCITS	7.39%
Exchange Traded Fund	1.95%
Credit Default Swap Contract	0.09%
Exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels	2.60%

The Fund's exposure to fossil fuel related activities, as presented in the table above, captures issuers deriving any revenue from such activities as part of their business. The indicator therefore has a broader scope when compared to the thermal coal mining and oil sands extraction exclusion applied as a binding characteristic to the Fund.

As described throughout this document, the Investment Adviser excludes from the Fund any company that derives 5% or more of its revenue from the mining of thermal coal or extraction of oil sands. Remaining equity holdings are subject to tilts considering ESG and Low Carbon Transition assessment scores seeking to overweight leaders and underweight laggards with regard to those scores. Additionally, the Fund applies a carbon budget to its equity investments which may underweight certain sectors such as those involved in fossil fuels. The Fund may therefore have some exposure to fossil fuel activities beyond those expressly prohibited through the binding characteristics of the Fund.

Additionally, the Fund has some exposure to fossil fuel activities through indirect portfolio holdings such as ETFs and funds. Please note that the Fund's binding exclusions, as set out in the Fund's pre-contractual disclosure, currently applies only to the directly held ESG equity and corporate credit securities. The Investment Adviser prefers ETFs and funds which have committed to a level of ESG integration, in order to align with the portfolio's overall objective to promote ESG characteristics, the Investment Adviser does not commit on a binding basis to invest in such ETFs and funds.

The table above only includes investments made by the Fund and excludes other assets held by the Fund, such as cash and hedging instruments.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Investment Adviser did not take account of the EU Taxonomy in its management of the Fund. None of the Fund's sustainable investments with an environmental objective have been assessed by the Investment Adviser as aligned with the EU Taxonomy during the reference period.

To comply with the EU Taxonomy the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. **For nuclear energy,** the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

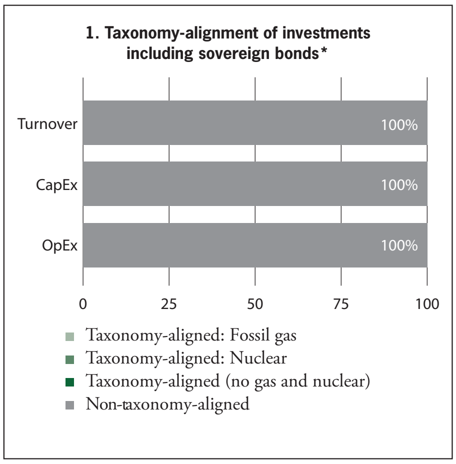
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

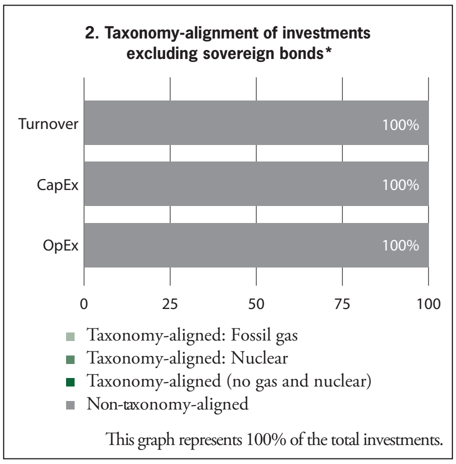
Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes

☑ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

[1] Fossil gas and/or nuclear activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commissions Delegated Regulation (EU) 2022/1214.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

What was the share of investments made in transitional and enabling activities?

The Fund did not make any investments which the Investment Adviser assessed to be in transitional or enabling activities, according to the EU Taxonomy.

*Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

19.06% of the Fund comprised sustainable investments with an environmental objective, which were not Taxonomy-aligned. The EU Taxonomy does not comprehensively cover all industries and sectors, or even all environmental objectives. Accordingly, the Investment Adviser used its own methodology to determine whether investments were sustainable in accordance with the SFDR sustainable investment test, and then invested in such assets for the Fund. The Fund does not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

As noted above in response to the question "What was the asset allocation?", the Fund does not categorise its sustainable investments as having either an environmental objective or a social objective Solely for SFDR reporting purposes, the Investment Adviser has divided the proportion of the Fund's sustainable investments into environmental and social categories, as per the methodology set out above.

What was the share of socially sustainable investments?

22.71% of the Fund's investments were sustainable investments with a social objective during the reference period.

As noted above in response to the question "What was the asset allocation?", the Fund does not categorise its sustainable investments as having either an environmental objective or a social objective Solely for SFDR reporting purposes, the Investment Adviser has divided the proportion of the Fund's sustainable investments into environmental and social categories, as per the methodology set out above.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2022 (continued)

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

25.70% of the Fund's investments were not aligned with the environmental or social characteristics of the Fund and have been included in the "other" category. They comprised: (i) hedging instruments, (ii) cash held as ancillary liquidity, (iii) investments for which the investment team was lacking data in order to assess if they qualified as sustainable investments or if they promoted environmental or social characteristics, (iv) any other investments which neither promoted environmental or social characteristics, nor qualified as sustainable investments (such as derivatives used for speculative purposes which do not have any ESG features). These investments were not subject to any minimum environmental or social safeguards.

What actions have been taken to attain the environmental and/or social characteristics during the reference period?

The Investment Advisor carried out enhanced monitoring of the Fund to meet the environmental and social characteristics during the reference period. The Investment Advisor regularly engaged with the companies in which it invested and exercised proxy voting and other rights as shareholders with the Fund's environmental and social characteristics in mind. These activities gave the Investment Advisor the opportunity to guide companies in which it invested towards better ESG practices, potentially enhancing the environmental and social characteristics of the Fund.

The Investment Advisor's stewardship objectives are tied to E/S related outcomes that include amongst others:

- enhanced disclosure of sustainability related information;
- securing and encouraging improved management of material sustainability related risks and opportunities; and
- improving and enhancing the Investment Advisor's own understanding of sustainability related risks in the Fund.

The Investment Advisor voted by proxy in a prudent and diligent manner, based on MSIM's proxy voting policies and in the best interests of the Fund's clients. Morgan Stanley Investment Management (MSIM) retained research providers to analyse ballot items and to make vote recommendations, however the Investment Adviser is in no way obligated to follow such recommendations.

For more information on the Investment Advisor's engagement and voting with reference to the Fund please see the Stewardship Report.

This Fund was classified as an Article 9 product under SFDR on 10 March 2021, based on information available at the time of implementation of the regulation. Following several regulatory clarifications on the required level of sustainable investments in a fund's portfolio to be classified as an Article 9 product, the classification of this Fund was changed from Article 9 to Article 8, effective from 17 November 2022. This change did not entail any change in the composition of the Fund nor in the way the Fund was managed.

Appendix 9: Sustainable Finance Disclosure (unaudited)
As at 31 December 2022 (continued)

Data Limitations

In general, Morgan Stanley Investment Management uses a range of data sources and internal analysis as inputs into its ESG processes. This may include use of data sourced from third party data providers, including for making the disclosures in this report. Such data may be subject to methodological limitations and may be subject to data lags, data coverage gaps or other issues impacting the quality of the data. ESG-related information, including where obtained from third-party data providers, is often based on qualitative or subjective assessment, and any one data source may not in itself present a complete picture relating to the ESG metric that it represents. Minimal discrepancies may also arise in reported data on the Fund's portfolio weightings where the Fund has made use of different underlying sources of holdings data to produce the disclosures included in the report. Morgan Stanley Investment Management takes reasonable steps to mitigate the risk of these limitations. However, it does not make any representation or warranty as to the completeness or accuracy of such data. Any such data may also be subject to change by the third party provider without notice. As such, Morgan Stanley Investment Management may choose to take such action (or inaction) based on any change in data provided by a third party data provider as it deems appropriate in the circumstances.

This report has been prepared based on the Fund's portfolio holdings as of the date specified at the top of this document only (unless the context indicates otherwise). Unless otherwise indicated, the percentages included in this report have been measured according to portfolio weight, which is based on the market value of the investments in the Fund.

Article 6 Funds

The following Funds have been categorised as Article 6 financial products for the purposes of the Sustainable Finance Disclosure Regulation. For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

EQUITY FUNDS

China A-shares Fund

China Equity Fund

Global Core Equity Fund

International Equity (ex US) Fund

Japanese Small Cap Equity Fund

Latin American Equity Fund

Indian Equity Fund

Saudi Equity Fund

Short Duration US Government Income Fund

US Core Equity Fund

US Value Fund

ASSET ALLOCATION FUNDS

Global Balanced Defensive Fund

Global Balanced Income Fund

Global Balanced Risk Control Fund of Funds

Global Multi-Asset Opportunities Fund

Multi-Asset Risk Control Fund