

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024

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: NextGen Emerging Markets Fund

Legal entity identifier: 5493005T095BBNXCKP66

Reference period: 01 January 2024 to 31 December 2024

Unless stated otherwise, the values below have been calculated based on the average of the fund's investments at each quarter end during the reference period. This calculation methodology also applied to the fund's top holdings and sector exposure.

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?

- | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|--|--|
| <input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective |
| <input type="checkbox"/> It made sustainable investments with a social objective : ___% | <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments |

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)



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

During the reference period, firstly the Fund promoted the environmental characteristic of contributing towards climate change mitigation by seeking to achieve a lower carbon footprint than the MSCI Frontier Emerging Markets Index in aggregate at the portfolio level.

Secondly, the Fund avoided investments in certain industries with the potential to cause harm to the environmental and to human health and well-being, such as tobacco and weapons, by applying binding exclusions. Further detail on the nature of these exclusions is set out below (in response to the question, “How did the sustainability indicators perform?”).

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

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)

Sustainability indicators

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

How did the sustainability indicators perform?

Sustainability Indicator	Indicator Threshold	2024 Indicator Value
Exclusions:		
Sector-based exclusions based on the universe as defined in the prospectus:		
% of the Fund's exposure to issuers whose core business as defined by more than 10% revenues from:		
Fossil fuels	0.00%	0.00%
Thermal coal mining extraction	0.00%	0.00%
Thermal coal-based power generation	0.00%	0.00%
Adult entertainment	0.00%	0.00%
Tobacco	0.00%	0.00%
% of the Fund's exposure to issuers which derive more than 5% revenue from:		
Arctic oil and gas	0.00%	0.00%
Oil sands	0.00%	0.00%
Gambling	0.00%	0.00%
% of the Fund invested in issuers with any tie to:		
Civilian firearms	0.00%	0.00%
Controversial weapons	0.00%	0.00%
% of the Fund invested in the universe's highest carbon emitters, defined as:		
The top 20 emitters by absolute emissions	0.00%	0.00%
The top 40 emitters by emissions intensity	0.00%	0.00%
% of the Fund invested in state-owned enterprises in universe, defined by enterprises with >=35% state ownership, excluding the sectors of financials, healthcare and communication services:	0.00%	0.00%
% of the Fund invested in the following sectors, as defined by MSCI Global Industry Classification System:		
Utilities sector (excluding renewables & water)	0.00%	0.00%
Construction materials	0.00%	0.00%
ESG Controversies & International norms exclusions:		
% of the Fund's exposure to issuers which have:		
Committed violations of the UN Guiding Principles, UN Global Compact and the OECD Guidelines for Multinational Enterprises	0.00%	0.00%
An unremediated "Red" ESG controversy	0.00%	0.00%
Lower Carbon Footprint		
Carbon Footprint lower than that of the MSCI Frontier Emerging Markets Index. Measured by weighted average carbon intensity, Scope 1 and 2 emissions. The carbon footprint of the index and that of the Fund were:	345.49	46.93

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)

Sustainability Indicator	Indicator Threshold	2024 Indicator Value
Reference universe reduction:		
The Investment Adviser aimed for a certain % reduction of the reference universe by the binding exclusions described above. The target % universe reduction, and the actual % universe reduction caused by the exclusions were:	20.00%	22.21%*

* Calculated based on the number of stocks in the universe (as defined in the prospectus).

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)

. . . and compared to previous periods?

Sustainability Indicator	Indicator Threshold	2023 Indicator Value	2022 Indicator Value
Exclusions:			
Sector-based exclusions based on the universe as defined in the prospectus:			
% of the Fund's exposure to issuers whose core business as defined by more than 10% revenues from:			
Fossil fuels	0.00%	0.00%	0.00%
Thermal coal mining extraction	0.00%	0.00%	0.00%
Thermal coal-based power generation	0.00%	0.00%	0.00%
Adult entertainment	0.00%	0.00%	0.00%
Tobacco	0.00%	0.00%	0.00%
% of the Fund's exposure to issuers which derive more than 5% revenue from:			
Arctic oil and gas	0.00%	0.00%	0.00%
Oil sands	0.00%	0.00%	0.00%
Gambling	0.00%	0.00%	0.00%
% of the Fund invested in issuers with any tie to:			
Civilian firearms	0.00%	0.00%	0.00%
Controversial weapons	0.00%	0.00%	0.00%
% of the Fund invested in the universe's highest carbon emitters, defined as:			
The top 20 emitters by absolute emissions	0.00%	0.00%	0.00%
The top 40 emitters by emissions intensity	0.00%	0.00%	0.00%
% of the Fund invested in state-owned enterprises in universe, defined by enterprises with >=35% state ownership, excluding the sectors of financials, healthcare and communication services:	0.00%	0.00%	0.00%
% of the Fund invested in the following sectors, as defined by MSCI Global Industry Classification System:			
Utilities sector (excluding renewables & water)	0.00%	0.00%	0.00%
Construction materials	0.00%	0.00%	0.00%
ESG Controversies & International norms exclusions:			
% of the Fund's exposure to issuers which have:			
Committed violations of the UN Guiding Principles, UN Global Compact and the OECD Guidelines for Multinational Enterprises	0.00%	0.00%	0.00%
An unremediated "Red" ESG controversy	0.00%	0.00%	0.00%

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)

Sustainability Indicator	Indicator Threshold	2023 Indicator Value	2022 Indicator Value
Lower Carbon Footprint			
Carbon Footprint lower than that of the MSCI Frontier Emerging Markets Index. Measured by weighted average carbon intensity, Scope 1 and 2 emissions. The carbon footprint of the index and that of the Fund were:	See relevant year	52.88 (Fund)	65.50 (Fund)
		496.89 (MSCI Frontier Emerging Markets Index)	536.20 (MSCI Frontier Emerging Markets Index)
Reference universe reduction:			
The Investment Adviser aimed for a certain % reduction of the reference universe by the binding exclusions described above. The target % universe reduction, and the actual % universe reduction caused by the exclusions were:	20.00%	20.98%*	21.20%*

* Calculated based on the number of stocks in the universe (as defined in the prospectus).

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.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)



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

The Fund considered some of the principal adverse impacts (“PAI”) on sustainability factors through the Fund’s exclusionary criteria as follows:

- The Fund excluded issuers whose core business is in thermal coal mining and extraction, thermal coal power generation and fossil fuels. The Fund therefore partly considered PAI indicator number 4: exposure to companies active in the fossil fuel sector.
- The Fund excluded issuers which derive any revenue from controversial weapons manufacturing or retail. The Fund therefore considered PAI indicator number 14: exposure to controversial weapons.
- The Fund excluded issuers which have committed violations of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, or the ILO Fundamental Principles, or which have experienced very severe controversies relating to violations of the OECD Guidelines for Multinational Enterprises. The Fund therefore considered PAI indicator number 10: violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Lastly, the Fund considered and, where relevant engaged with issuers across, all relevant mandatory PAI indicators in the SFDR rules on a materiality basis (i.e., if the Investment Adviser considered a particular PAI indicator to be materially relevant to, or impacted by, the activities of the issuer, the Investment Adviser engaged on that PAI).

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: from 01 January 2024 to 31 December 2024.

What were the top investments of this financial product?

Security	Sector	% Assets	Country
FPT CORP	Information Technology	8.27%	Vietnam
MERCADOLIBRE INC	Consumer Discretionary	4.05%	United States
PHU NHUAN JEWELRY JSC	Consumer Discretionary	3.89%	Vietnam
KASPI.KZ JSC	Financials	3.83%	Kazakhstan
CENTURY PACIFIC FOOD INC	Consumer Staples	3.70%	Philippines
MEDIKALOKA HERMINA TBK PT	Health Care	3.60%	Indonesia
COMMERCIAL INTERNATIONAL BANK - EGYPT (C)	Financials	3.47%	Egypt
BANK FOR FOREIGN TRADE OF VIETNAM JSC	Financials	3.05%	Vietnam
VIETNAM DAIRY PRODUCTS JSC	Consumer Staples	2.88%	Vietnam
SYSTEMS LTD	Information Technology	2.81%	Pakistan
HALYK SAVINGS BANK OF KAZAKHSTAN JSC	Financials	2.77%	Kazakhstan
MOBILE WORLD INVESTMENT CORP	Consumer Discretionary	2.75%	Vietnam



What was the proportion of sustainability-related investments?

93.58% of the Fund's investments attained the promoted environmental and social characteristics of the Fund. The remainder of the investments were investments for cash instruments held for ancillary liquidity and derivatives held for hedging purposes, which did not attain the promoted environmental or social characteristics and were not subject to any minimum environmental or social safeguards.

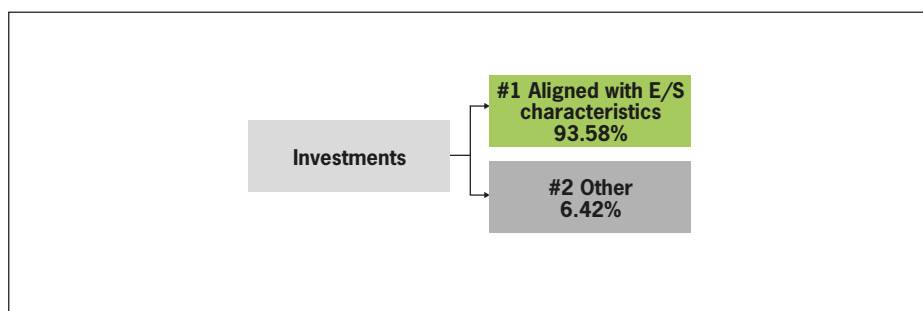
The Fund did not make any sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation ("SFDR").

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (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 Fund's aim to maintain a lower carbon footprint than the MSCI Frontier Emerging Markets Index is applied at a portfolio level (and not at the level of individual holdings, some of which may on an individual basis have a higher carbon intensity than the portfolio-level average or target).

In which economic sectors were the investments made?

Sector	% Assets
Financials	29.66%
Consumer Discretionary	17.52%
Information Technology	17.28%
Consumer Staples	11.28%
Health Care	6.13%
Communication Services	4.63%
Energy	3.45%
Materials	2.60%
Industrials	2.09%
Real Estate	2.00%
Exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels	0.00%

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 2024 (continued)

Enabling activities To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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 activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The Fund did not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy. None of the Fund's investments have been assessed by the Investment Adviser as aligned with the EU Taxonomy during the reference period.

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes
- In fossil gas In nuclear energy
- 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.

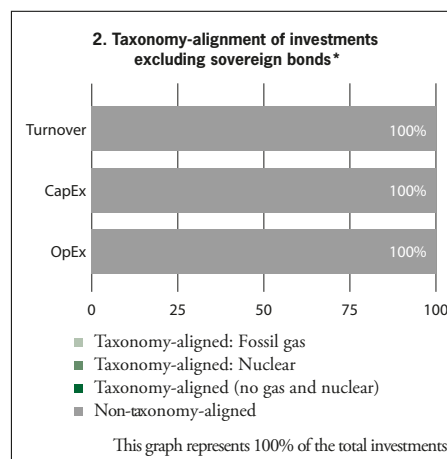
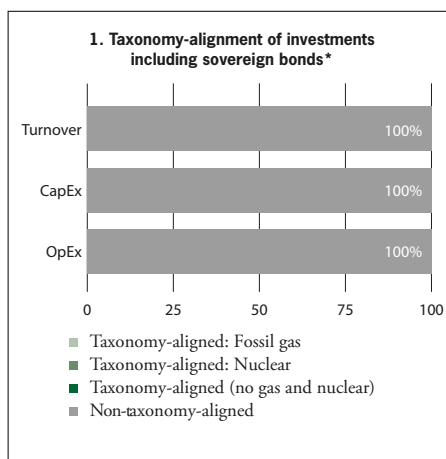


Taxonomy-aligned activities are expressed as a share of:

– **turnover** reflecting the share of revenue from green activities of investee companies.

– **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

– **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



* 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 2024 (continued)

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.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.



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

6.42% 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. These investments were comprised of (i) companies where an ESG materiality assessment and/or a dedicated company engagement to supplement data points has not yet been completed, (ii) hedging instruments and/or (iii) cash held for ancillary liquidity. These investments were not subject to minimum environmental or social safeguards.



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

In 2024, MSIM’s Emerging Markets Investment Adviser conducted 71 engagements across the team’s platform to discuss environmental and social sustainability. The Emerging Markets Equity team records each interaction with management as an individual engagement. Of these 71 engagements, 62 meetings were dedicated entirely to sustainability, three were integrated meetings where sustainability were the main focus, three involved collaborations with external groups (such as the UN PRI Advance and Emerging Markets Investors Alliance) and four engagements were follow up letters.

Decarbonisation and energy transition continued to be a priority theme in 2024. The team deepened its research on electrification trends and the energy transition. In particular, the team focused on the potential implications on the transportation, metals and mining, and other heavy emitting sectors. This research further enhanced the team’s engagements on decarbonization and enabled the team to encourage company management to consider adopting and disclosing more detailed strategies with specific long and short-term targets that are high-quality and feasible within their business strategy. The team continued to encourage company management teams to articulate detailed decarbonization plans with both long and short-term targets that are high-quality, feasible and integrated within their business strategy. The team discussed company’s energy transition from fossil fuel derived sources to renewables over the long term. The team conducted research on electrification trends including implications in the transportation and metals and mining sector. This, along with additional ESG regulatory research, allowed the team to engage with in-scope portfolio companies on their efforts to satisfy existing and upcoming regulatory requirements.

Appendix 9: Sustainable Finance Disclosure (unaudited)

As at 31 December 2024 (continued)

The team also engaged with companies on supply chain risks related to environmental and labor supply chain standards, focusing on companies where regulatory risks may have the most impact. During the reference period, the Investment Adviser continued to engage with investee companies on operational labor management, worker safety and human rights risks within the supply chain. The team conducted deep research on best practices for human rights including expectations from management and success cases to aid in the assessment of portfolio companies' human rights risk management strategies. The Investment Adviser continued to push for enhanced transparency and disclosure on issues relating to applicable sustainability metrics.

Lastly, the Investment Adviser also monitored investments in the Fund according to the Fund's environmental and social characteristics, to avoid any new investments in excluded countries or activities.



How did this financial product perform compared to the reference benchmark?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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.