

Part 2A of Form ADV: Firm Brochure

Morgan Stanley Infrastructure Inc.

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March 30, 2013

This Brochure provides information about the qualifications and business practices of Morgan Stanley Infrastructure Inc. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact Andrew Glenn at (212) 761-7506 or email andrew.r.glenn@morganstanley.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may find useful in deciding to hire or retain an adviser.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

We provide this brochure to our clients as well as limited partners of the pooled investment vehicles that we advise (“Limited Partners”).

There have been no material changes since the last update of this Brochure, dated March 30, 2012. We will provide clients and Limited Partners with a new Brochure as necessary based on material changes or new information, at any time, without charge upon request.

Our Brochure may be requested by contacting Andrew Glenn at (212) 761-7506 or email andreas.moon@morganstanley.com.

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Item 4 – Advisory Business

Morgan Stanley Infrastructure Inc. (the “Adviser”) was formed in 2006 and registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in 2007.

The Adviser is a wholly-owned indirect subsidiary of Morgan Stanley.

As of December 31, 2012, the Adviser had approximately \$4,246,983,000 of regulatory assets under management, all of which are managed on a discretionary basis.

The Adviser provides infrastructure-related investment advisory services to the co-investing partnerships that comprise Morgan Stanley Infrastructure Partners LP (collectively, the “Fund”), which is designed to seek capital appreciation primarily through investments in assets associated with the provision of public goods or essential services that generate long-term, stable cash flows in sectors such as transportation, energy and utilities, social infrastructure, and communications (“Infrastructure Assets”). The Fund invests on a global basis. In providing its services to each of its advisory clients, the Adviser formulates such client’s investment objectives, directs and manages the investment and reinvestment of assets, and provides reports to investors. The Adviser manages the assets of each advisory client in accordance with the terms of the governing documents applicable to such client.

Item 5 – Fees and Compensation

Management Fees

Certain fees described herein are subject to negotiation.

Through the end of the Fund's investment period, the Adviser will generally receive an annual management fee payable quarterly in arrears (the "Management Fee") based on total capital commitments during the Fund's commitment period and on invested capital after such commitment period, which is funded by the Limited Partners and ranges from 1% to 1.5%.

Acquisition Fees

The Fund will pay to Morgan Stanley Infrastructure GP LP (the "General Partner") an acquisition fee (the "Acquisition Fee") in respect of each investment. Each Limited Partner (other than Morgan Stanley and its affiliates) will bear a portion of the Acquisition Fee for each investment determined by multiplying such Limited Partner's share of the gross value of the consideration paid (or to be paid) by the Fund for such investment by a percentage generally ranging from 0.15% to 0.5% depending on the capital commitment of each Limited Partner.

Fees may be deducted from clients' assets as set forth in the limited partnership agreement of the Fund (the "Partnership Agreement").

Carried Interest

The General Partner is generally entitled to carried interest with respect to each Limited Partner equal to 20% of such Limited Partner's profits from each of the Fund's investment, subject to satisfaction of an 8% internal rate of return, compounded annually, for such investment and previously realized investments.

The General Partner is also generally entitled to carried interest in an amount equal to 20% of cash proceeds attributable to any dividends, interest or other ordinary income from a fund investment, subject to the Limited Partners first achieving a return of 8%, compounded annually, on the invested capital in such investment.

Placement Agent Fees

With respect to the Fund, broker-dealers who are our affiliates will act as placement agents to assist in the placement of the Fund's interests. Any placement fee not payable by us will be in addition to a client's capital commitment. The amount of any placement fee will be described in the placement agent's point of sale letter. However, the placement agents or distributors may in their sole discretion waive the placement fees payable by an investor, including an investor that is an employee or affiliate of the General Partner and/or the Adviser.

Expenses

The Fund may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to the Fund. The payment of such expenses by the Fund does not represent a source of profit for the Adviser, but rather is a reimbursement of actual costs initially paid by the Adviser (or its affiliates) and subsequently passed through to the Fund. The most common expenses include (i) all out-of-pocket expenses incurred in connection with the making, holding, sale, or proposed sale of any investment and any related hedging transaction, including any expenses (including travel and entertainment) associated with proposed investments that are ultimately not made by the Fund; (ii) all costs incurred in connection with the operation and maintenance of the Fund; and (iii) routine expenses of the Fund, including legal, accounting, auditing, consulting, and financing fees and expenses associated with the Fund's financial statements and tax returns, and other administrative expenses of the Fund. The Adviser and its affiliates may also provide the Fund with certain data processing, legal, accounting, insurance purchasing or administrative services which would otherwise be performed for the Fund by third parties and, in such event, the Adviser and its affiliates may be reimbursed by the Fund at the lesser of (i) the cost of providing such services (including reasonable employment costs and related overhead allocable thereto) and (ii) the amount that would be payable by the Fund if services of equal quality were provided by third parties on an arm's-length basis, except that such reimbursements will not be permitted with respect to appraisal or valuation services. Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The private placement memoranda for the Fund includes further details on fees and compensation and related matters.

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, the Adviser has entered into performance fee arrangements with qualified clients; such fees are subject to individualized negotiation with each such client. The Adviser will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Adviser has designed and implemented procedures to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Please see Item 5 for further information regarding performance based fees charged by the Adviser.

Item 7 – Types of Clients

The Adviser provides portfolio management services to pooled investment vehicles. These pooled investment vehicles are not subject to regulation under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, fund investors must invest a minimum of \$5 million, unless otherwise approved by the general partner. In addition, each fund advised by the Adviser has a specific fund designed to admit only Morgan Stanley current and former employees (and certain other permissible related investors), and investors in those funds must generally invest a minimum of \$50,000, unless otherwise approved.

Limited Partner interests in the Fund may be purchased only by certain eligible investors who are “accredited investors” as defined in Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act. In the case of the employee funds described above, interests have been offered and sold to investors who are “accredited investors” as defined in Regulation D of the Securities Act and in accordance with the requirements of an exemptive order under the Investment Company Act received by Morgan Stanley from the SEC in April 2000.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

The Fund will target investments in assets associated with the provision of public goods or essential services that generate long-term, stable cash flows in sectors such as transportation, energy and utilities, social infrastructure, and communications (“Infrastructure Assets”). From time to time the Adviser may cause the Fund to invest cash held by the Fund in temporary investments or to employ hedging techniques to reduce the risk of adverse interest rate, currency, credit or security movements on investments.

Methods of Analysis

The Adviser’s main source of information and investment opportunities are contacts with employees of Morgan Stanley, a public company listed on the New York Stock Exchange (of which the Adviser is a direct, wholly-owned subsidiary), industry executives and established business relationships. Regional investment teams will be responsible for performing due diligence on potential investments. Such analysis will include underwriting the potential returns and risks for such investments (including legal, tax, accounting and environmental issues), as well as regularly monitoring the value of such investments. The regional investment teams will assess the impact of various macro and microeconomic shifts on potential investments and make recommendations to the Adviser on strategies to maximize the value of investments. Such services will be provided pursuant to service contracts between the Adviser and local broker-dealers owned by Morgan Stanley.

Preliminary Evaluation

An initial review of each investment opportunity is carried out by one of the senior members of the Fund’s investment team (the “Investment Team”) to determine whether such opportunity is consistent with the Fund’s investment objectives in terms of size, geography, governance/control and return potential. If the opportunity fits the Fund’s investment objectives, the opportunity is staffed with a managing director leading the evaluation of the attractiveness of the opportunity.

If the Investment Team determines that the target investment merits further evaluation, it is discussed at the Investment Team’s weekly meeting. At this meeting the senior members of the Investment Team will discuss the attractiveness of the opportunity and whether Morgan Stanley’s resources and relationships can be utilized to give the Fund a meaningful competitive advantage relative to other potential investors. In general, the Investment Team will not pursue an opportunity unless the Fund has such an advantage.

Active Evaluation

If the senior members of the Investment Team determine that an opportunity meets the Fund’s investment objectives, is attractive and the Fund has a meaningful competitive advantage, the Investment Team will commence formal due diligence on the opportunity. The due diligence process is conducted with company management to achieve a comprehensive understanding of the company’s competitive

positioning, as well as the opportunities and risks associated with the proposed investment. Throughout the due diligence process, the Investment Team keeps the lead managing director for the investment apprised of all developments and key findings, and the questions/issues raised by the lead managing director for the investment are addressed by the Investment Team through their continuing due diligence. The Investment Team is assisted in its due diligence by a broad network of experts from both within and outside Morgan Stanley, as appropriate. The Investment Team is responsible for all aspects of the acquisition process including due diligence, structuring and negotiating, and financing. At each critical stage of the process, the approval of the lead managing director for the investment is required prior to the Investment Team proceeding to the next phase of the investment process.

Morgan Stanley will, where appropriate, retain third-party consultants to assess business and market conditions, competition, physical and environmental concerns and other factors that it deems necessary to review with external advisors.

For each investment opportunity, the Investment Team will generally make multiple presentations to the General Partner's Investment Committee (the "Investment Committee"). The Investment Committee is comprised of individuals who have leadership roles at Morgan Stanley, including leadership positions in Morgan Stanley, as well as senior management of the Fund. Issues and questions raised by the Investment Committee will be addressed by the Investment Team in subsequent due diligence. Formal Investment Committee approval is required prior to the execution of definitive agreements with respect to any transaction.

Risk of Loss - Certain Risks Related to Investment Strategy

Investing in securities involves risk of loss that clients should be prepared to bear. The Adviser cannot provide assurance that they will be able to generate any level of returns for investors. Our investment strategy entails a high degree of risk and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Fund.

The following list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment in the Fund. The risks summarized below are described in greater detail in the private placement memoranda for the Fund. In addition, there are other risks (in addition to risks related to our investment strategy) associated with investing in the Fund, which are described in the private placement memorandum. You may also request an updated explanation of risk factors by contacting the Adviser as described above.

- potential loss of invested capital;
- reliance on expertise of Morgan Stanley investment professionals;
- highly competitive markets and prevailing regulatory or political climates;
- illiquidity of investments;

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- significant degree of financial and/or business risks;
 - volatility of commodity prices;
 - leverage at the level of the Fund and/or portfolio companies;
 - adverse political developments and regulation in foreign countries
 - no assurance of investment return;
 - reliance on management of operating companies;
 - exposure to portfolio company and related party claims;
 - potential liabilities related to portfolio company restructurings;
 - risks relating to infrastructure assets;
 - risks related to greenfield projects;
 - use of hedging techniques;
 - changes in general economic conditions and global economic and political events
 - limitations on transfer and withdrawal;
 - risks associated with making non-U.S. investments and minority investments;
 - risks associated with the realization and disposition of investments;
 - catastrophic and other force majeure events;
 - legal and regulatory risks, including burdensome regulation by one or more governmental entities in specific industries; and
 - proposed tax legislation adversely affecting employees and other service providers.

The General Partner and the Adviser also may face conflicts of interest in connection with managing the Fund. See Item 10 – Other Financial and Industry Activities.

Item 9 – Disciplinary Information

The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Introduction

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. Investors should be aware that potential and actual conflicts of interest between Morgan Stanley or any Affiliated Investment Account (as defined below), on the one hand, and the Fund, on the other hand, may exist and others may arise in connection with the operation of the Fund. Morgan Stanley's employees may also have interests separate from those of Morgan Stanley and the Fund. The discussion below enumerates certain actual, apparent and potential conflicts of interest. The Adviser can give no assurance that conflicts of interest will be resolved in favor of the Fund's investors, and, in fact, they may not be.

The following discussion enumerates certain potential conflicts of interest, which should be carefully evaluated before making an investment in the Fund.

Broker-Dealer Registration

Morgan Stanley & Co. LLC is a registered broker-dealer. Certain of the Adviser's management persons are registered representatives of Morgan Stanley & Co. LLC, where it is necessary or appropriate to perform their responsibilities.

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

The Adviser, the Fund or their portfolio companies may use the commodity pool operator, commodity trading adviser and futures commission merchant registrations of one or more of the following related persons: Morgan Stanley AIP GP LP, Morgan Stanley Alternative Investment Partners LP, Morgan Stanley Infrastructure GP LP, MS Capital Partners V GP L.P., Morgan Stanley Investment Management Inc., Morgan Stanley Private Equity Asia III, L.L.C., MSREF III, Inc., MSREF IV, LLC, MSREF IV International-GP, L.L.C., MSREF V, L.L.C., MSREF V International-GP, L.L.C., MSREF V U.S.-GP, L.L.C., MSREF VI International-GP, L.L.C., MSREF VII Global-GP, L.P., and MSREF Real Estate Advisor, Inc.

Other Material Relationships with Affiliated Entities

- Broker-Dealer, Municipal Securities Dealer, Government Securities Dealer or Broker

To the extent permitted by applicable law, the Adviser, Fund or its portfolio companies may use the securities, futures execution, underwriting or other services offered by Morgan Stanley & Co. LLC or other affiliates. Please see Item 12 for more information about the Adviser's practices

concerning using a Morgan Stanley affiliate as a broker.

- Participating Affiliates

Investment advice is provided to the General Partner and the Fund not only through the Adviser but also through certain of the employees of one or more of the following related persons:

- Morgan Stanley & Co International plc
- Morgan Stanley Asia Limited
- Morgan Stanley India Services Private Ltd

These related persons may or may not be registered with the SEC as investment advisers but are foreign affiliated advisers that may provide advice or research for the Adviser for use with the Fund (in such capacity, the “Participating Affiliates”). The Participating Affiliates also may provide non-advisory services to the Adviser and the Fund. The Adviser may delegate all or a portion of its advisory or other functions to any of its Participating Affiliates.

The Participating Affiliates will remain subject to the supervision of the Adviser in respect of their provision of services to the Adviser and the Fund.

- Other Advisory Affiliates

The Adviser is part of a group of investment advisers within the Morgan Stanley Investment Management business, including Morgan Stanley Investment Management Inc, Morgan Stanley Investment Management Limited, Morgan Stanley AIP GP LP, Morgan Stanley Asset Management Private Limited, Morgan Stanley Real Estate Advisor, Inc., MSDW Real Estate Special Situations II Manager LLC, MS Capital Partners Adviser Inc., Morgan Stanley Private Equity Asia, Inc., MSREF III, Inc., MSREF IV, L.L.C., MSREF V, L.L.C., MSREF Real Estate Advisor, Inc., and MSRESS III Manager, L.L.C.

The Adviser, in its discretion, may delegate all or a portion of its advisory or other functions to any affiliate that is registered with the SEC as an investment adviser and may receive a variety of services from such affiliates, including gathering information about potential investment opportunities, financial advice and assistance in connection with the making, monitoring and disposing of investments and securities underwriting and brokerage services in connection with the sale of investments. The Adviser shares certain officers and directors with related investment advisers that also manage affiliated private equity funds.

To the extent that the Adviser delegates its advisory or other functions to such investment advisers, a copy of the brochure of each such affiliate is available on the SEC’s website and will be provided to investors in the Fund upon request.

- Affiliates Acting as Fundraising Broker-Dealers

Broker-dealers that are affiliates of Morgan Stanley may act as placement agents (the “Placement Agents”) to assist in the placement of interests to certain Limited Partners (such Limited Partners, the “Solicited Partners”). The potential for the Placement Agents to receive compensation in connection with a Solicited Partner’s investment in the Fund presents a potential conflict of interest in recommending that such Solicited Partner purchase interests.

The prospect of receiving, or the receipt of, additional compensation by the Placement Agents may provide such Placement Agents and their salespersons with an incentive to favor sales of interests in funds whose affiliates make similar compensation available over sales of interests in funds (or other fund investments) with respect to which the Placement Agent does not receive additional compensation, or receives lower levels of additional compensation. Prospective investors should take such payment arrangements into account when considering and evaluating any recommendations related to the interests. Morgan Stanley employees involved in the marketing and placement of the interests are not acting as tax, financial, legal or accounting advisors to potential investors in connection with the offering of the interests. Potential investors must independently evaluate the offering and make their own investment decisions.

The Adviser and the Fund may use registered representatives and/or employees of its affiliates to conduct solicitation activities in relation to new or oncoming limited partners to the Fund or act as placement agents

- Affiliates Acting as Investment Bankers

In the ordinary course of its business, Morgan Stanley performs full-service investment banking and financial services and therefore engages in activities where Morgan Stanley’s interests or the interests of its clients may conflict with the interests of the investors, notwithstanding Morgan Stanley’s direct or indirect participation in the investments of the Fund.

From time to time, Morgan Stanley’s investment banking professionals may introduce to one or more of the Fund a client that requires equity to complete an acquisition transaction. If the relevant Fund pursues the resulting investment, Morgan Stanley could have a conflict in its representation of the client over the price and terms of the Fund’s investment.

Morgan Stanley has long-term relationships with a significant number of institutions and corporations and their advisors. In determining whether to pursue a particular transaction on behalf of the Fund, these relationships will be considered by Morgan Stanley and there may be certain potential transactions that will or will not be pursued on behalf of the Fund in view of such relationships

In addition, Morgan Stanley could provide investment banking services to competitors of companies in which the Fund invest, in which case it will take appropriate steps to safeguard the confidential information of each client. Morgan Stanley is under no obligation to share and may

not share any such information with the Fund or the Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Fund's portfolio entities and may also result in a conflict with respect to the allocation of investment banking resources to portfolio entities.

- Other Limited Partnership Investment Vehicles or Funds

- General; Carried Interests

The Adviser is the manager of the Fund and serves as the managing member of the Fund. The Adviser and/or certain related persons have and may continue to organize other partnerships and serve as the manager, general partner, or the managing member or general partner of the general partner, to these partnerships. In organizing these partnerships, the Adviser or a related person may be deemed to have been or to be soliciting investors.

The General Partner's carried interest may create an incentive for the General Partner to make more speculative investments for the Fund than it would otherwise make in the absence of such performance-based distributions. Furthermore, investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third party partners or co-investors, which could also create an incentive for such parties to take risks with respect to such investments. In addition, the method of calculating the carried interest may result in conflicts of interest between the General Partner, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments. For example, the General Partner will value any securities being distributed in-kind to investors in order to calculate the carried interest. If the valuations conducted by the General Partner are incorrect, the amount of payment of carried interest could be incorrect.

- Morgan Stanley Investments and Affiliated Investment Accounts

Morgan Stanley may advise clients and has sponsored, managed or advised other alternative investment funds and investment programs, accounts and businesses (collectively, together with any new or successor funds, programs, accounts or businesses, the "Affiliated Investment Accounts") that have or will have active investment programs that are substantially similar to those of the Fund. Morgan Stanley may also from time to time create new or successor Affiliated Investment Accounts that may compete with the Fund and may present similar conflicts of interest. Certain members of the Fund's investment team and the investment committee may make investment decisions on behalf of both Morgan Stanley and such Affiliated Investment Accounts, including Affiliated Investment Accounts with investment objectives that overlap with those of the Fund. In addition, certain Affiliated Investment Accounts may make investments similar to those that may be made by the Fund even if they are not solely focused on such investments.

Morgan Stanley related persons (including Morgan Stanley's trading and principal investing businesses) will have no obligation to offer to the Fund investment opportunities that are excluded

from any otherwise existing contractual obligation. In such situations, a Morgan Stanley related person may pursue and make the investment for its own account. When deciding how to allocate such opportunities, Morgan Stanley will exercise its discretion and may consider its own financial interests or the interests of other clients or affiliates of Morgan Stanley ahead of those of the Fund.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite one or more of the Funds to co-invest with it or the General Partner may invite Morgan Stanley or an Affiliated Investment Account to co-invest with one or more of the Fund, in either the same or different tiers of a portfolio entity's capital structure or in an affiliate of such portfolio entity. To the extent the relevant Fund holds investments in the same portfolio entity or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict.

- **Management Persons**

Officers and employees supporting the Adviser may also serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interest of the portfolio company, which in certain circumstances may not be in the best interests of the Fund. Companies with which one or more members of the investment team or other employees of Morgan Stanley are involved may also engage in transactions that would be suitable for the Fund, but in which the Fund might be unable to invest. Accordingly, in these situations, there may be conflicts of interests between such person's duties as an officer or employee of the Adviser and such person's duties as a director of the portfolio company.

Certain of the Adviser's management persons may also hold positions with the affiliates listed above. In these positions, those management persons of the Adviser may have some responsibility with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of other affiliates. Consequently, in carrying out their roles with the Adviser or the Fund and these other entities, the management persons of the Adviser may be subject to the same or similar conflicts of interest that exist between the Adviser and these affiliates.

Conflict Identification and Mitigation

Morgan Stanley and the Adviser have established procedures intended to identify and mitigate conflicts of interest related to business activities on a worldwide basis. A conflict management officer for each business unit and/or region acts as a focal point to identify and address potential conflicts of interest in their business area. When appropriate, there is an escalation process to senior management within the business unit, and ultimately if necessary to firm management or the firm's franchise committees, for potentially significant conflicts that cannot be resolved by the conflict management officers or that otherwise require senior management review. In addition, the Adviser addresses conflicts through disclosure to its investors and should any transactions that present a potential conflict of interest actually

arise, the Adviser may in certain situations choose to seek the approval of the investors, limited partners and/or advisory committee for the respective fund with respect to conflicts of interest or approvals as required under the Advisers Act, including Section 206(3) and/or the relevant partnership agreement. The Adviser may also choose to seek the approval of Limited Partners of the applicable Funds with respect to certain conflict situations or matters under the Advisers ActItem

Item 11 – Code of Ethics

Code of Ethics

The Adviser has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act, applicable to persons who are supervised by the Adviser or supports the Adviser in providing investment advice to the General Partner or the Fund, and who have access to nonpublic information regarding the purchase or sale of securities, or who make securities recommendations to the General Partners or the Fund, or who have access to such recommendations that are nonpublics (“Access Persons”). Each Access Person is required to acknowledge the Code at the inception of his/her employment and annually thereafter. The Code is designed to make certain that all acts, practices and courses of business engaged in by Access Persons are conducted in accordance with the highest possible standards and to prevent abuse, or even the appearance of abuse, by Access Persons with respect to their personal trading and other business activities.

The Code addresses the personal trading and investment activities of Access Persons, as more fully described below. In addition, the Code addresses standards of business conduct and fiduciary duties expected of Access Persons, including confidentiality obligations and restrictions on outside business activities and other conflicts of interest.

Violations of the Code are subject to sanction, including reprimand, demotion, suspension or termination of employment.

Copies of the Code are available upon request from the Adviser.

Personal Trading and Investments

The Code refers to a number of policies governing the securities trading and investing activities of employees for their own accounts. Such policies require all Access Persons to pre-clear trades for covered securities, as defined under the policies, in a personal account. A pre-clearance request will be denied if such securities are under consideration for investment, or have been acquired by, a client of the Adviser, or if the Adviser is in receipt of material non-public information of the company or if another conflict exists. Such policies also impose holding periods and reporting requirements for covered securities. In addition, investments in private placements or an employee’s participation in an outside business activity must be pre-approved by the employee’s designated manager and the Chief Compliance Officer.

Participation or Interest in Client Transactions

We recommend that clients invest in funds for which we act as investment adviser. Prior to subscribing for interests in a fund advised by the Adviser, investors receive information relating to potential conflicts of interest between the activities of the Fund and the business activities of the Adviser, and its affiliates, or clients that may have a financial interest in the securities in which the Fund invests.

On rare occasions, a fund may sell a security or asset which another fund, or an affiliate of the Adviser, wants to own. On these occasions, after extensive firm and legal and compliance review and documentation, a sale of the security or asset from one fund to another will be permitted.

The Adviser may purchase and sell public and private investments and co-invest the assets of the clients alongside other funds and accounts managed by the Adviser or its affiliates in compliance with the requirements and conditions of rules, regulations, orders, or interpretations of the SEC, or no-action letters of the SEC Staff, and in accordance with the fund and client account governing documents. The Adviser has adopted an Allocation Policy and Procedures in order to ensure that each client is treated in a fair and equitable manner. The following factors will be considered, as appropriate, in connection with allocation decisions:

- Rights of first offer in favor of a client
- Investment guidelines, goals or restrictions of the client
- Capacity of the client
- Existing allocation to similar strategies and the diversification objectives of the client
- Tax, legal or regulatory considerations
- With respect to co-investment allocations, whether the co-investor can provide value add to the operations of the business or provide future opportunities to the business of the client
- Other relevant business considerations

Please refer to Item 10 for a description of other financial industry activities and affiliations of Morgan Stanley, and a discussion of the material conflicts relating thereto.

Item 12 – Brokerage Practices

Due to the nature of the investments the Fund makes, broker-dealers are not generally used for transactions. However, when executing transactions on behalf of the Fund through a broker, dealer or underwriter, the Adviser's objective will be to obtain "best execution" (that is, the most favorable price and execution). The Adviser's effort to obtain best execution on any individual transaction depends substantially on its judgment, knowledge and experience in evaluating the counterparties', advisers' and service providers' ("Counterparties") reliability and capability based on previous and pending transactions effected by the broker-dealer for client accounts. Some of the factors considered by the Adviser in selecting a Counterparty include, among other things, execution quality and capabilities, including with regard to market making, commissions charged by and gross compensation paid to such Counterparty, and special knowledge of the Adviser's client's markets.

The Adviser will only consider engaging in a principal or cross transaction with Morgan Stanley or its affiliates on behalf of a fund or client to the extent permitted by applicable law.

A broker-dealer (including a Morgan Stanley affiliate) may act as agent for one or more clients in selling publicly traded securities simultaneously. In such a situation, transactions may, but are not required to, be bundled and clients will receive proceeds from sales based on average prices received, which may be lower than the price which could have been received had each client sold its securities separately from such broker-dealer's other clients.

Item 13 – Review of Accounts

The Investment Committee reviews and approves all significant investment decisions. The members of the Investment Committee are identified in the Supplements to the Adviser’s Brochure in Form ADV Part 2B.

The investments made by the Fund are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short term decision to dispose of securities. However, the Adviser’s portfolio management staff closely monitors companies and assets in which the Fund invests and generally maintains an ongoing oversight position in such companies and assets (including, where relevant, representation on the board of directors of such companies). Reviews occur on a quarterly, and in some cases, monthly basis.

The Adviser provides quarterly unaudited reports and annual audited reports to the Limited Partners of the Fund managed by the Adviser, which include, among other things, financial statements and descriptions of the investments of the Fund.

Item 14 – Client Referrals and Other Compensation

The Adviser may from time to time compensate certain of its employees, its affiliates' employees or any other placement agents in return for referrals of Limited Partners that have not previously invested in a fund managed by the Adviser. Any additional compensation paid specifically for such referrals will meet the requirements of Rule 206(4)-3 under the Advisers Act if applicable.

Item 15 – Custody

The Adviser is deemed to have custody of the Fund’s cash and securities by virtue of its relationship with the General Partner. Each Limited Partner receives the Fund’s audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of the Fund’s fiscal year.

Item 16 – Investment Discretion

As of December 31, 2012, the Adviser manages the Fund assets on a discretionary basis. The Adviser does not manage client assets on a non-discretionary basis. Please see Item 4 for a discussion of the types of advisory services provided by the Adviser. The Adviser will provide investment advice to the Fund, subject to certain investment limitations regarding concentration and diversification, geography, time and type of permitted investments as set forth in the Fund's Limited Partnership Agreement. Such investment limitations may be disregarded with prior approval of the limited partner advisory committee, as set forth in the Fund's Limited Partnership Agreements.

The Adviser generally receives its discretionary authority from a fund at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. Such authority is provided in the Adviser's advisory contract with each fund and/or under the terms of the operating agreement of each fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the relevant fund. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the relevant fund.

Item 17 – Voting Client Securities

Where the Adviser has accepted authority to vote proxies on behalf of a client, the Adviser will vote proxies in accordance with its policies and procedures in place for voting of proxies (the “Proxy Voting Policy”), which are designed to ensure compliance with Rule 206(4)-6 of the Advisers Act. Copies of the Proxy Voting Policy are available upon request from the Adviser. Under the Proxy Voting Policy the Adviser will vote proxies on behalf of the clients based on a determination of the best interest of the clients, consistent with the objective of maximizing long-term investment returns for the clients.

In many situations, a client is a party to a stockholder or a similar agreement. These agreements are entered into in the best interests of the clients, and may require the advisers to vote the other investors’ nominees to a board of directors or similar body, or require a vote in favor of a particular transaction. If this is the case, the Adviser will comply with the applicable clients’ contractual obligations.

Where no contract requires a client to vote for a specific outcome, the Proxy Voting Policy is designed to be responsive to the wide range of issues that may be subject to proxy vote, but is not exhaustive due to the variety of proxy voting issues that the Adviser may be required to consider.

The clients generally make a limited number of direct investments in portfolio companies that will become or are public. As a result, the Adviser will generally cast proxy votes on behalf of the clients with respect to a limited number of public portfolio companies.

The Adviser reserves the right to depart from the Proxy Voting Policy in order to avoid voting decisions that it believes may be contrary to the clients’ best interests. In addition, the Adviser may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that the client’s interests are better served by an abstention.

The Adviser may be subject to conflicts of interest in the voting of proxies. A potential conflict of interest may occur where the Adviser or any of its affiliates or their respective employees has a direct or indirect economic stake in the outcome of a proxy vote that is different from a client’s stake. When such a potential conflict arises between there Adviser and any of its affiliates or their respective employees on the one hand and one or more of the clients on the other, the matter is evaluated to determine whether an actual conflict exists. Where an actual conflict exists, the Adviser will take necessary and appropriate steps to address the conflict.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. The Adviser is not aware of any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.