

Part 2A
Form ADV Brochure

MORGAN STANLEY INVESTMENT MANAGEMENT COMPANY

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This Brochure provides information about the qualifications and business practices of Morgan Stanley Investment Management Company (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (212) 296-7045. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

The Adviser is a registered investment adviser. Registration of an Investment Adviser does not imply any level or skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

ITEM 2 MATERIAL CHANGES

The adviser has no information applicable to this Item.

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ITEM 4 ADVISORY BUSINESS

Morgan Stanley Investment Management Company (“MSIM Co”), established in 1990, is the local presence of the investment management division of Morgan Stanley Group in Singapore. The ultimate parent company of MSIM Co is, Morgan Stanley, a publicly-held company. MSIM Co was registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”) in 2003.

MSIM Co is a client centric organization dedicated to providing investment and risk-management solutions to investors worldwide. It specializes in managing assets in equity products for a range of clients, including:

- pension funds;
- governments;
- mutual Funds and other pooled vehicles;
- central banks; and
- corporations

Asset Allocation

MSIM Co also provides asset allocation advice for fees that are negotiated and vary depending on a client's particular circumstances. In connection with this service, MSIM Co advises clients on a discretionary and non-discretionary basis as to the appropriate allocation of their assets among equity securities listed and/or traded in various Asian jurisdictions.

As of December 31, 2015 MSIM Co managed, \$17,076,871,887 on a discretionary basis and \$330,681,390 on a non-discretionary basis totaling **\$17,407,553,278** of assets under management.

ITEM 5 FEES AND COMPENSATION

Management Fees

MSIM Co's fees may vary from the applicable schedule above due to the particular circumstances of the client or as otherwise negotiated with particular clients. MSIM Co may provide investment advisory or research services to clients for negotiated fixed fees based on the value of the services rendered and may, from time to time, receive a performance based fee, except in those jurisdictions that do not allow fees based on performance. MSIM Co may also negotiate per-transaction fees with clients which are expressed as a percentage of the value of each account transaction. Holdings in a client's account may include REITS, investment companies (including ETFs) and other pooled vehicles for which a separate management fee is charged, including investment companies and other pooled vehicles advised by MSIM Co or a related person.

Fees are generally billed quarterly in arrears based on current or quarter-average market values. Although certain accounts are billed quarterly in advance. The timing of fee payments and method of calculation for particular clients may vary in accordance with client preferences. Typically, MSIM Co's services are terminable by either party upon written notification in accordance with the applicable contractual notice provision. Upon termination the fees described above (including performance fees, if any) generally will be prorated.

The fees below are only the advisory fees charged by MSIM Co and do not reflect custodial or other fees that may be applicable to a clients account.

Item 12 further describes the factors that MSIM Co considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Note that most of our investment advisory accounts are delegated to MSIM Co from an affiliated adviser.

Fee Schedules

Asian Equity

Account Minimum: \$50 million

.800% on the first \$50 million in assets under management

.700% in excess of \$50 million in assets under management

Global Real Estate (1)

Account Minimum: \$100 million

.750% on the first \$100 million in assets under management

.500% on the next \$300 million in assets under management

.400% on assets in excess of \$400 million

(1) Includes Europe, Asia, International, North America and US Real Estate products

Expenses Charged to Clients/Fee Discounts

Depending upon the terms of particular arrangements with clients, we may select or recommend that certain service providers to clients (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms) and/or their affiliates perform services for clients (the cost of which generally will be borne by the advisory client.) These service providers may also provide goods or services to or have business, personal, political, financial or other relationships with us or our affiliates. Such service providers may be investors in a fund, our affiliates, sources of investment opportunities or co-investors. These other services and relationships may influence us in deciding whether to select or recommend such a service provider to perform services for clients. Notwithstanding the foregoing, investment transactions on behalf of clients that require the use of a service provider generally will be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment related services and research that we believe to be of benefit to the clients. In certain circumstances, service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Morgan Stanley, us or our affiliates as compared to services provided to the clients, which may result in more favorable rates or arrangements than those payable by the clients.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, we have entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client.

Because the portfolio managers may manage assets for other investment companies, pooled investment vehicles and/or other accounts (including accounts of institutional clients and pension plans), there may be an incentive to favor one client over another resulting in conflicts of interest. For instance, we may receive fees from certain accounts that are higher than the fee we receive from another account, or we may receive a performance-based fee on certain accounts. In those instances, the portfolio managers may have an incentive to favor the higher and/or performance-based fee accounts over another account. In addition, a conflict could exist to the extent we have proprietary investments in certain accounts, where portfolio managers have personal investments in certain accounts or when certain accounts are investment options in our employee benefits and/or deferred compensation plans. The portfolio manager may have an incentive to favor these accounts over others. If we manage accounts that engage in short sales of securities of the type in which the account invests, we could be seen as harming the performance of the account for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall. A portfolio manager may also be faced with a conflict of interest when allocating investment opportunities, given the possibility of greater fees from accounts that pay performance-based fees as opposed to accounts that do not pay performance-based fees.

For additional information on allocation issues and our practices, please refer to Item 12 “Brokerage Practices.”

To address these types of conflicts, we have adopted policies and procedures pursuant to which allocation decisions may not be influenced by fee arrangements and investment opportunities will be allocated in a manner that we believe to be consistent with our obligations as an investment adviser. To further manage these types of conflicts, we have implemented Side-by-Side Management guidelines, which are designed to set out specific requirements regarding the side-by-side management of traditional investment portfolios (e.g., long-only portfolios) and alternative investment portfolios (e.g., hedge fund portfolios) in order to manage potential conflicts of interest, including without limitation, those associated with any differences in fee structures, investments in the alternative investment portfolios by MSIM or its employees and trading-related conflicts (including conflicts of interest that may also be raised when MSIM investment teams take conflicting (i.e., opposite direction) positions in the same or related securities for different accounts.) In addition, we have established a Side-by-Side Management Subcommittee to ensure that such conflicts are reviewed and managed appropriately.

ITEM 7 TYPES OF CLIENTS

The Adviser provides advice to the following types of clients:

- Pension Funds;
- Governments;
- Mutual Funds and other pooled vehicles;
- Central Banks; and
- Corporations

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear.

The Adviser has the following significant Equity Investment Strategies:

Global Emerging Markets

The **Emerging Markets Leaders Strategy** seeks to invest in companies operating in emerging and frontier markets which feature superior business fundamentals including quality management, the potential to become leading or global brands, the ability to deliver sustainable or improving Returns on Equity (ROEs) and increasing returns on invested capital.

The **Global Emerging Markets Equity Strategy** is a core strategy with a growth bias that seeks attractive long-term, risk-adjusted returns by investing in emerging market equities. To achieve its objective, the strategy combines top-down country allocation with bottom up stock selection and disciplined risk management.

Real Estate

The **Global Real Estate Securities Strategy** seeks attractive long-term, risk-adjusted returns by investing in publicly traded real estate securities that offer exposure to the direct real estate markets at the best value relative to underlying asset values and growth prospects, primarily in developed countries worldwide. The investment team utilizes proprietary research to drive a long-term, value-oriented, bottom-up driven investment process and also incorporates top down analyses. This strategy is available on a global, international and regional basis (e.g., U.S., North American, European, Asian).

The Equity Investment Strategies are subject to the following risks considerations:

Equity Securities. In general, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors, including events that affect particular issuers as well as events that affect entire financial markets or industries. To the extent that a portfolio invests in convertible securities, and the convertible security's investment value is greater than its conversion value, its price will be likely to increase when interest rates fall and decrease when interest rates rise. If the conversion value exceeds the investment value, the price of the convertible security will tend to fluctuate directly with the price of the underlying equity security.

Foreign and Emerging Market Securities. Investments in foreign markets entail special risks such as currency, political, economic and market risks. There also may be greater market volatility, less reliable financial information, higher transaction and custody costs, decreased market liquidity and less government and exchange regulation associated with investments in foreign markets. The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. In addition, a portfolio's investments may be denominated in foreign currencies and therefore, changes in the value of a country's currency compared to the U.S. dollar may affect the value of a portfolio's investments.

Derivatives Risk. A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the

underlying instrument, risks of default by the other party to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which they relate and risks that the transactions may not be liquid. Certain derivative transactions may give rise to a form of leverage. Leverage magnifies the potential for gain and the risk of loss. Derivative instruments include, but are not limited to futures, swaps, options and structured investments.

Short Sales. In a short sale transaction, an account sells a borrowed security in anticipation of a decline in the market value of that security. If the adviser incorrectly predicts that the price of a borrowed security will decline, an account may lose money. Losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases can equal only the total amount invested.

REITs, REOCs and Foreign Real Estate Companies. Investing in REITs, REOCs and foreign real estate companies exposes investors to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which REITs, REOCs and foreign real estate companies are organized and operated. In addition, investments in REITs and similar non-U.S. entities may involve duplication of management fees and certain other expenses. REITs are also subject to certain provisions under federal tax law and the failure of a company to qualify as a REIT could have adverse consequences for a portfolio. In addition, foreign real estate companies may be subject to the laws, rules and regulations governing those entities and their failure to comply with those laws, rules and regulations could negatively impact the performance of those entities.

Special Risks Related to Cyber Security

We are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that we and our service providers, if applicable, use to service our client accounts; or operational disruption or failures in the physical infrastructure or operating systems that support us or our service providers, if applicable. Cyber attacks against, or security breakdowns, of us or our service providers, if applicable, may adversely impact us and our clients, potentially resulting in, among other things, financial losses; our inability to transact business on behalf of our clients; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. We may incur additional costs related to cyber security risk management and remediation. In addition, cyber security risks may also impact issuers of securities in which we invest on behalf of our clients, which may cause our clients' investment in such issuers to lose value. There can be no assurance that we or our service providers, if applicable, will not suffer losses relating to cyber attacks or other information security breaches in the future.

Legal and Regulatory Risks:

The regulation of the U.S. and non-U.S. securities and futures markets and Investment Funds has undergone substantial change in recent years and such change may continue. In particular, in light of the recent market turmoil there have been numerous proposals, including bills that have been introduced in the U.S. Congress, for substantial revisions to the regulation of financial institutions generally. Some of the additional regulation of private fund managers, includes requirements for such managers to register as investment advisers under Advisers Act and disclose various information to regulators about the positions, counterparties and other exposures of the private funds managed by such managers. In addition,

regulatory change has significantly altered the regulation of commodity interests and comprehensively regulated the OTC derivatives markets for the first time in the United States. Further, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions may be promulgated at any time. Such restrictions may adversely affect the returns of Underlying Investment Funds that utilize short selling. The effect of such regulatory change on the accounts and/or the Underlying Investment Funds, while impossible to predict, could be substantial and adverse.

In December 2013, U.S. regulators adopted final regulations (“Implementing Regulations”) implementing Section 619 of the Dodd-Frank Act (which section is commonly referred to as the “Volcker Rule”). The Implementing Regulations became effective on April 1, 2014. Subject to certain exceptions, the Volcker Rule and the Implementing Regulations generally prohibit “banking entities” (which term includes bank holding companies and their affiliates) from investing in, sponsoring, or having certain types of relationships with, private equity funds or hedge funds (referred to in the Implementing Regulations as “covered funds”). Banking entities (including Morgan Stanley and its affiliates) were required to bring their activities and investments into conformance with the Volcker Rule by July 21, 2015, subject to certain extensions granted by the U.S. Federal Reserve by rule or (to the extent that Morgan Stanley so requests) by order. Although there can be no assurances, these extensions could potentially allow Morgan Stanley and its affiliates several additional years to bring certain of their covered fund activities and investments into compliance with certain aspects of the Volcker Rule.

Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect us, private funds offered by us, the general partner of those funds, and the limited partners of such funds. For example, Morgan Stanley and its affiliates are required (subject to any applicable extensions as discussed above) to eliminate their commitment to private funds (potentially through a sale of their interests in the fund or in the general partner of the fund) or, if the fund qualifies for the relevant exemption, reduce their commitment so that their aggregate commitments to the private fund do not exceed 3% of the fund and their aggregate investment in private equity and hedge funds does not exceed 3% of Morgan Stanley’s Tier I capital. In addition, the Volcker Rule and the Implementing Regulations require Morgan Stanley and its affiliates to restructure or terminate their affiliations with, and/or to refrain from, other transactions (including “covered transactions” as defined in Section 23A of the U.S. Federal Reserve Act, as amended) with or for the benefit of, the private funds. For example, Morgan Stanley will be prohibited from providing loans, hedging transactions with extensions of credit or other credit support to private funds it advises. We, along with the private funds we advise and the general partner, if applicable, are also be required to change our names to exclude the Morgan Stanley name (or any variation thereon), which may require some adjustment in the market. While we will endeavor to minimize the impact on our private funds and the assets held by them, Morgan Stanley’s interests in determining what actions to take in implementing the Volcker Rule and the Implementing Regulations may conflict with our interests and the interests of the private funds, the general partner and the limited partners of the private funds, all of which may be adversely affected by such actions. The foregoing is not an exhaustive discussion of the potential risks the Volcker Rule poses for us.

ITEM 9 DISCIPLINARY INFORMATION

The Adviser has no information applicable to this Item.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MSIM Co's ultimate parent company is Morgan Stanley ("Morgan Stanley Parent"), a corporation whose shares are publicly held and traded on the New York Stock Exchange under the symbol "MS". Morgan Stanley Parent is a financial holding company under the Bank Holding Company Act of 1956, as amended. As a result, we are part of a large global financial services and banking group and you may have relationships with our affiliates beyond your relationship with us. These relationships can cause conflicts of interest.

Broker-Dealer Affiliates:

MSIM Co is affiliated with Morgan Stanley & Co. LLC ("MS&Co."), Morgan Stanley Smith Barney LLC ("MSSB"), Morgan Stanley Distribution Inc. and Prime Dealer Services Corp., each a registered broker dealer under the Securities Exchange Act of 1934, as amended ("34 Act"). MSIM Co is also affiliated with foreign broker-dealers and financial services companies, including Morgan Stanley & Co. International PLC, Morgan Stanley Securities Ltd., Morgan Stanley MUFG Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Morgan Stanley India Company Private Ltd., Morgan Stanley Asia Ltd., Morgan Stanley Canada Limited, Morgan Stanley Australia Securities Limited, Morgan Stanley Australia Limited, Bank Morgan Stanley AG, HC Securities and Investments, Morgan Stanley, S.V., S.A., Morgan Stanley Huaxin Securities Company Ltd., Block Interest Discovery System (BIDS), Better Alternative Trading System (BATS), RMB Morgan Stanley, HTI Valori Mobiliare S.A., Trade Web LLC and Olivetree Securities Ltd (hereinafter, together with affiliated broker dealers registered under the 34 Act, collectively referred to as "Affiliated Broker Dealers").

When permitted by applicable law and subject to the considerations set forth in Item 12 Brokerage Practices below, MSIM Co utilizes Affiliated Broker-Dealers to effect portfolio securities, currency exchange, futures and other transactions for MSIM Ltd's managed accounts. Item 11 Participation or Interest in Client Transactions below describe in greater detail the manner in which the MSIM Co utilizes Affiliated Broker-Dealers to effect client transactions and conflicts of interest that can arise.

Morgan Stanley Investment Management Inc. ("MSIM") is the parent company of Morgan Stanley Distribution Inc., a registered broker-dealer under the Securities Exchange Act of 1934 (the "Act").

Morgan Stanley Distribution, Inc. serves as distributor, placement agent and/or underwriter for certain registered and unregistered investment companies for which MSIM Co acts as investment adviser.

Investment Adviser Affiliates:

MSIM Co is affiliated with MSIM, Morgan Stanley Investment Management (Japan) Co., Ltd., Morgan Stanley Investment Management Limited, Morgan Stanley AIP GP LP; Morgan Stanley Infrastructure, Inc.; Morgan Stanley Private Equity Asia, Inc.; MS Capital Partners Adviser, Inc.; Morgan Stanley Real Estate Advisor, Inc.; MSDW Real Estate Special Situations II Manager LLC; MSREF III, Inc.; MSREF IV, LLC; MSREF Real Estate Advisor, Inc.; MSREF V, LLC; and MSRESS III Manager, LLC; each registered investment adviser under the Advisers Act.

MSIM Co is also affiliated with Morgan Stanley Investment Management Private Limited and Morgan Stanley Investment Management (Australia) Pty Limited and Morgan Stanley Asia Limited, which are investment advisers which are not required to be registered under the Act. MSIM Co may delegate certain contractual responsibilities to its affiliated investment advisers under advisory contracts for international equity and fixed income clients and may act as a sub-adviser to such affiliated investment advisers in

respect of their clients. MSIM Co may also provide asset allocation advisory services to such affiliated investment advisers.

From time to time MSIM Co may, with prior client consent, and to the extent permitted by applicable law, delegate some or all of its responsibilities, duties and authority under an investment management agreement to one or more of its affiliated investment advisers. MSIM Co's affiliated advisers may likewise delegate some or all of their responsibilities, duties and authority to MSIM Co.

From time to time, MSIM Co may provide investment advice to clients of U.S. Affiliated Advisers pursuant to a delegation or sub-advisory agreement, as applicable, between MSIM Co and the relevant U.S. Affiliated Adviser.

Affiliates of MSIM Co act as general partner in several limited partnerships in which clients have been solicited to invest. In some cases, the general partner is entitled to receive an incentive allocation from a partnership. Certain of these limited partnerships are focused on private equity investing and make investments in leveraged buyouts, venture capital opportunities, research and development ventures, real estate and other businesses. Other such partnerships have been formed to act as "fund-of-fund" investment vehicles for hedge fund and private equity investments. Others invest in real estate investment trusts and fixed income instruments.

Along with Morgan Stanley, we 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.

Electronic Communications Networks or Alternative Trading Systems

MSIM Co's affiliates have ownership interests in and/or Board seats on electronic communication networks ("ECNs") or other alternative trading systems ("ATSs"). In certain instances our affiliates may be deemed to control one or more of such ECNs or ATSs based on the level of such ownership interests and whether such affiliates are represented on the Board of such ECNs or ATSs. Consistent with our fiduciary obligation to seek best execution, we may, from time to time, directly or indirectly, effect client trades through ECNs or other ATSs in which our affiliates have or may acquire an interest or Board seat. These affiliates may receive an indirect economic benefit based upon their ownership in the ECNs or other ATSs. We will, directly or indirectly, execute through an ECN or other ATSs in which an affiliate has an interest only in situations where we or the broker dealer through whom we are accessing the ECN or ATS reasonably believes such transaction will be in the best interest of its clients and the requirements of applicable law have been satisfied. Our affiliates may own over 5% of the outstanding voting securities and/or have a member on the Board of certain trading systems (or their parent companies, including (i) BATS Trading, Inc., operator of BATS Electronic Trading Network (commonly referred to as "BATS") (ii) the entities that own and control the Block Interest Discovery Service (commonly referred to as "BIDS"), (iii) Turquoise, (iv) TradeWeb Markets LLC, (v) OTC DOTC-Deriv Limited, (vi) Munciecenter-the debtcenter, LLC, (vii) Markit Ltd., (viii) Source Holding Ltd., (ix) MTS Denmark, (x) MTS Associated Markets, (xi) ERIS Exchange Holdings LLC, (xii) ISWAP Limited, (xiii) Equilend, (xiv) Chi-X Global Holdings LLC (CXG), (xv) Euroclear PLC, (xvi) LCH Clearnet Group LTD; and (xvii) Japan Securities Clearing Corporation. Our affiliates may acquire interests in and/or take Board seats on other ECNs or other ATSs (or increase ownership in the ATS's listed above) in the future.

Our affiliates may receive cash credits from certain ECNs and ATSS for certain orders that provide liquidity to their books. Such ECNs and ATSS may also charge explicit fees for orders that extract liquidity from their books. From time to time, the amount of credits that our affiliates receive from one or more ECN or ATS may exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow.

Miscellaneous

MSIM Co outsources certain operations functions to State Street Bank and Trust Company ("State Street"). State Street now provides a full range of investment operations outsourcing services including trade settlement, portfolio administration and reporting, and reconciliation services. The agreement with State Street demonstrates our continued commitment to delivering best-in-class service to our clients, while allowing us to concentrate on our core competency: institutional asset management.

Additional information about conflicts that may be caused by these affiliations is provided in response to Items 11 and 12 of this Brochure.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING

Code of Ethics

MSIM Co has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. Each employee 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 MSIM Co's employees are conducted in accordance with the highest possible standards and to prevent abuse, or even the appearance of abuse, by employees with respect to their personal trading and other business activities.

Additionally, all MSIM Co employees are subject to firm-wide policies and procedures found in the Morgan Stanley Code of Conduct (the "Code of Conduct") that sets forth, among other things, restrictions regarding confidential and proprietary information, information barriers, information security, privacy and data protection, private investments, outside business interests and personal trading. All MS employees, including MSIM Co employees are required to acknowledge that they have read, understand, are in compliance with and agree to abide by the Code of Conduct's terms as a condition of continued employment.

The Code requires all employees to pre-clear trades for covered securities, as defined under the Code, in a personal account. A pre-clearance request generally will be denied if there is an open order for a client in the same security. The Code also imposes holding periods and reporting requirements for covered securities, which includes affiliated and sub-advised U.S. mutual funds. MSIM Co employees are prohibited from acquiring any security in an initial public offering or any other public underwriting. Investments in private placements or an employee's participation in an outside business activity must be pre-approved by Compliance and the employee's manager. Certain employees of MSIM Co who, in connection with job functions, make or participate in making recommendations regarding the purchase or sale of securities or who have real-time knowledge of such recommendations, are held to more stringent standards when placing trades in personal accounts. Violations of the Code are subject to sanction, including reprimand, demotion, suspension or termination of employment.

Upon request, MSIM Co will provide a copy of the Code.

Participation or Interest in Client Transactions

The following section addresses trading activities of MSIM Co and its affiliates and various conflicts of interest that can arise and how such conflicts have been addressed.

Broker-Dealer Affiliations

MSIM Co does not act as principal or broker in connection with client transactions. MSIM Co may, however, in the exercise of its discretion under its investment management agreement with a client, effect transactions in securities or other instruments for the client through affiliate ("Affiliated Broker-Dealers") which perform all of the activities set forth below of this Item 11.

In connection with transactions in which Affiliated Broker-Dealers will act as principal, MSIM Co will disclose to the client that the trade will be conducted on a principal basis and obtain the client's consent in accordance with the provisions of and rules under the Advisers Act. MSIM Co will recommend that a client engage in such a transaction only when it believes that the net price for the security is at least as favorable as could have been obtained from another established dealer in such security.

MSIM Co's recommendations to clients may involve securities in which its Affiliated Broker-Dealers, or their officers, employees or other affiliates, have a financial interest. Affiliated Broker-Dealers and their officers, employees and other affiliates, may purchase or sell for their own accounts securities that MSIM Co recommends to its clients.

If permitted by a client's investment objectives and guidelines, applicable law, and MSIM Co's policies and procedures concerning conflicts of interest, MSIM Co may recommend that such client purchase, or use its discretion to effect a client purchase of, securities during the existence of an underwriting or other public or private offering of such securities involving an Affiliated Broker-Dealer as a manager, underwriter, initial purchaser, or placement agent. Generally, purchases directly from an Affiliated Broker-Dealer during an underwriting must comply with the provisions of the Advisers Act, other applicable laws and MSIM Co's policies and procedures relating to principal transactions. Among other things, MSIM Co must disclose to the client that the transaction involves an affiliate and obtain the client's consent prior to settlement of each such transaction. Purchases may be from underwriters or placement agents other than an Affiliated Broker-Dealer in distributions in which an Affiliated Broker-Dealer is a manager and/or member of a syndicate or selling group, as a result of which an Affiliated Broker-Dealer may benefit from the purchase through receipt of a fee or otherwise. Purchases from an Affiliated Broker-Dealer acting as placement agent must meet the requirements of applicable law. In situations in which a client has not permitted, or where it is prohibited by law, rule, regulation, MSIM Co may be unable to purchase securities for a client's account in an initial or other public or private offering of securities involving an Affiliated Broker-Dealer.

From time to time, MSIM Co or its affiliates may pursue the acquisition of investment managers who will manage private investment funds that would otherwise qualify as investments for the fund of funds clients. Due to the conflicts of interest involved and in accordance with applicable law, MSIM Co will not make any long-term investment for the fund of fund clients in any investment fund that is managed by an affiliate of MSIM Co, unless MSIM Co determines that (a) the investment is in accordance with the applicable fund of funds' relevant investment objectives, strategies and policies; and (b) such investment would not otherwise be prohibited by law or regulation. Accordingly, there may be investments that are unavailable to certain fund of fund clients due to the manager's affiliation with MSIM Co or its affiliates. Further, in the event that MSIM Co or its affiliates acquires a business or investment manager that is a

manager of any investment fund, MSIM Co may need to liquidate any investment by a fund of funds client in an investment fund managed by such affiliated investment manager.

With client consent, and subject to the restrictions imposed on such transactions by Section 11(a) of the 1934 Act, as amended, and the rules thereunder, and other applicable law, MSIM Co will effect portfolio transactions through an Affiliated Broker-Dealer on an agency basis, including over-the-counter ("OTC") securities, where the Affiliated Broker will act as agent in connection with the purchase and sale of OTC securities from market participants and will charge MSIM Co's clients a commission on the transactions. Since these are agency transactions, there is no mark up or mark down on the price of the security.

MSIM Co will effect client transactions through an Affiliated Broker-Dealer when, in MSIM Co's judgment, the client may thereby obtain the best execution of the transaction. Subject to MSIM Co's duty to seek best execution, MSIM Co may effect such transactions through an Affiliated Broker Dealer even though the total brokerage commission for the transaction may be higher than that which might have been charged by another broker for the same transaction.

Cross and Agency Cross Transactions

MSIM Co may effect "agency cross transactions" in which an Affiliated Broker-Dealer acts as agent for both the buyer or seller in the transaction. MSIM Co will only trade with an Affiliated Broker-Dealer on behalf of a client on an agency cross basis when the client has consented to MSIM Co's effecting such transactions. Any agency cross transaction will be effected in compliance with Rule 206(3)-2 under the Act and any other applicable law, as well as MSIM Co's policies and procedures designed to prevent and disclose potential conflicts of interest. The Affiliated Broker-Dealer can receive a commission from the seller and the buyer when it executes transactions on an agency cross basis under certain conditions. In effecting an agency cross transaction, we have potentially conflicting divisions of loyalties and responsibilities regarding the parties to the transaction.

MSIM Co may effect internal "cross" transactions between client accounts in which one client will purchase securities held by another client. Such transactions are entered into generally only when MSIM Co deems the transaction to be in the best interests of both clients and at a price MSIM Co has determined by reference to independent market indicators and which MSIM Co believes to constitute "best execution" for both parties. Neither MSIM Co nor any related party receives any compensation in connection with such "cross" transactions.

MSIM Co and related persons of MSIM Co will effect portfolio transactions through an Affiliated Broker-Dealer on behalf of clients in respect of which MSIM Co is a "fiduciary" as defined in ERISA only on an agency basis and with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor, as well as in accordance with the restrictions imposed on such transactions by Section 11(a) of the 1934 Act, and the rules thereunder, and other applicable law.

MSIM Co may purchase securities on behalf of its ERISA clients from an underwriting or selling syndicate where an Affiliated Broker-Dealer participates as manager, or syndicate members with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor.

MSIM Co and its affiliated investment advisers may execute client transactions with broker/dealers that do not have their own clearing facilities and who may clear such transactions through an Affiliated Broker- Dealer. The affiliated Broker-Dealer will receive a clearing fee for these transactions.

Services to Issuers Activities

MSIM Co and its affiliates provide a variety of services for, and render advice to, various clients, including issuers of securities that MSIM Co may recommend for purchase or sale by clients. In the course of providing these services, MSIM Co and its affiliates may come into possession of material, nonpublic information which might affect MSIM Co's ability to buy, sell, or hold a security for a client account. Investment research materials disclose that related persons of MSIM Co may own, and may effect transactions in, securities of companies mentioned in such materials and also may perform or seek to perform investment banking services for those companies.

In addition, directors, officers and employees of MSIM Co's affiliates may have Board seats and/or have Board observer rights with private and/or publicly traded companies in which MSIM Co invests on behalf of its client accounts. MSIM Co (and its affiliates) have adopted policies and procedures and created information barriers that are reasonably designed to prevent the flow of any material nonpublic information regarding these companies between MSIM Co and its affiliates. Directors, officers and employees of MSIM Co itself may also take Board seats or have Board observer rights with companies in which MSIM Co invests on behalf of its clients. Generally MSIM Co only does so with respect to private (not publicly traded) companies. To the extent a director, officer or employee of MSIM Co were to take a Board seat or have Board observer rights in a public company, MSIM Co (or certain investment teams within MSIM Co) would be limited and/or restricted in its ability to trade in the securities of the company to the extent MSIM Co (or certain investment teams within MSIM Co) possessed or were deemed to possess material nonpublic information regarding the company.

Investment Banking Activities

MSIM Co believes that the nature and range of clients to whom its Affiliated Broker-Dealers render investment banking and other services is such that it would be inadvisable to exclude these companies from a client's portfolio. Accordingly, unless client advises MSIM Co to the contrary, it is likely that client holdings will include the securities of corporations for whom its Affiliated Broker-Dealers perform investment banking and other services. Moreover, client portfolios may include the securities of companies in which its Affiliated Broker-Dealers make a market or in which MSIM Co, its officers and employees and its Affiliated Broker-Dealers or other related persons and their officers or employees have positions.

To meet applicable regulatory requirements, there are periods when MSIM Co will not initiate or recommend certain types of transactions in the securities of companies for which an Affiliated Broker Dealer is performing investment banking services. Clients will not be advised of that fact. In particular, when an Affiliated Broker-Dealer is engaged in an underwriting or other distribution of securities of a company, MSIM Co may be prohibited from purchasing or recommending the purchase of certain securities of that company for its clients. Notwithstanding the circumstances described above, a client, on its own initiative, may direct MSIM Co to place orders for specific securities transactions in a client account. In addition, MSIM Co generally will not initiate or recommend transactions in the securities of companies with respect to which affiliates of MSIM Co may have controlling interests or are affiliated.

Investment Limits

Various federal, state or foreign laws, rules and regulations, as well as certain corporate charters adopted by issuers in which MSIM Co may invest, limit the percentage of an issuer's securities that may be owned by MSIM Co and its affiliates. MSIM Co is more likely to run into these limitations than investment

advisers with fewer assets under management and/or that are not affiliated with a large financial institution or Financial Holding Company. In certain instances, for purposes of these ownership limitations, MSIM Co's holdings will be aggregated with the holdings of its affiliates. These ownership limitations may be in the form of, among others: (i) a strict prohibition against owning more than a certain percentage of an issuer's securities (the "threshold"); (ii) a "poison pill" that would have a material dilutive impact on MSIM Co's holdings in that issuer should MSIM Co and its affiliates exceed the threshold; (iii) provisions that would cause MSIM Co and its affiliates to be considered "interested stockholders" of an issuer if MSIM Co and its affiliates exceed the threshold; and (iv) provisions that may cause MSIM Co and its affiliates to be considered an "affiliate" or "control person" of the issuer. MSIM Co will generally avoid exceeding the threshold in these situations. With respect to situations in which MSIM Co and its affiliates may be considered "interested stockholders" (or a similar term), MSIM Co will generally avoid exceeding the threshold because if MSIM Co were considered an interested stockholder, MSIM Co and its affiliates would be prohibited (in some cases absent Board and/or shareholder approval) from entering into certain transactions or performing certain services (including investment banking, financial advisory and securities lending) with or for the issuer. MSIM Co will also generally avoid exceeding a threshold in situations in which MSIM Co may be considered an affiliate of the issuer for the reasons set forth above, as well as the fact that should MSIM Co be considered an affiliate of an issuer, MSIM Co's ability to trade in the issuer's securities would become limited.

Investments in Other MSIM Co Investment Funds

When permitted by applicable law and the investment guidelines applicable to individual client accounts, and considered by MSIM Co to be in the best interests of a client, MSIM Co may recommend to clients, and invest the assets of client accounts in various closed-end and open-end investment companies and other pooled investment vehicles with respect to which MSIM Co or its affiliates receive compensation for advisory, administration, or other services.

In certain circumstances, when required by applicable law or by agreement with the client, MSIM Co may waive its investment management fee with respect to assets invested in pooled investment vehicles to the extent of some or all of the compensation received by MSIM Co and its affiliates for services rendered with respect to such pooled investment vehicles.

Investment Management Activities

It is possible that officers or employees of MSIM Co may buy or sell securities or other instruments that MSIM Co has recommended to clients. Moreover, MSIM Co may recommend to clients the purchase or sale of securities in which it or its officers, employees or related persons have a financial interest. These transactions are subject to MSIM Co's policies and procedures regarding personal securities trading, as well as to the requirements of the Advisers Act, the 1940 Act and other applicable laws. MSIM Co's policies and procedures, the Advisers Act and the 1940 Act require that MSIM Co puts its clients' interests first.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of MSIM Co, its affiliates, and personnel (each, an "Advisory Affiliate" and, collectively, the "Advisory Affiliates").

The Adviser and other Advisory Affiliates may manage long and short portfolios. The simultaneous management of long and short portfolios creates potential conflicts of interest in portfolio management and trading in that opposite directional positions may be taken in client accounts managed by the same investment team, and creates potential risks such as (i) the risk that short sale activity could adversely affect the market value of long positions in one or more portfolios (and vice versa) and (ii) the risks

associated with the trading desk receiving opposing orders in the same security simultaneously. The Adviser and the other Advisory Affiliates have adopted policies and procedures that are reasonably designed to mitigate these potential conflicts. The Adviser and each Advisory Affiliates may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the mutual funds and/or managed accounts managed by them (collectively, the "Advisory Clients"). The Advisory Affiliates may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for any of the Advisory Clients.

Potential conflicts also may arise due to the fact that certain securities or instruments may be held in some Advisory Clients but not in others, or the Advisory Clients may have different levels of holdings in certain securities or instruments, and because the Advisory Clients may pay different levels of fees to MSIM Co. In addition, an Advisory Affiliate may give advice or take action with respect to the investments of one or more Advisory Clients that may not be given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, Advisory Clients with similar strategies may not hold the same securities or instruments or achieve the same performance. The Adviser or any other Advisory Affiliate also may advise Advisory Clients with conflicting programs, objectives or strategies.

Any of the foregoing activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Advisory Clients. Finally, the Advisory Affiliates may have conflicts in allocating their time and services among their Advisory Clients. MSIM Co will devote as much time to each of its Advisory Clients as it deems appropriate to perform its duties in accordance with its respective management agreements.

Different clients of MSIM Co, including funds advised by MSIM Co or an affiliate, may invest in different classes of securities of the same issuer, depending on their respective client's investment objectives and policies. As a result, MSIM Co may at times seek to satisfy its fiduciary obligations to certain clients owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those clients with respect to such class of securities, and those activities may have an adverse effect on another client, which owns a different class of securities of such issuer. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, MSIM Co may seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities may benefit from a reorganization of the issuer. Thus, the actions taken on behalf of one client may negatively impact securities held by another client. MSIM Co has adopted procedures pursuant to which conflicts of interest, including those resulting from the receipt of material nonpublic information about an issuer, are managed by MSIM Co's employees through information barriers and other practices.

General Process with Potential Conflicts

All of the transactions described above involve the potential for conflicts of interest between MSIM Co or related persons of a MSIM Co and its clients. The Advisers Act, the 1940 Act and ERISA impose certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. Certain other transactions may be prohibited. MSIM Co has instituted policies and procedures designed to prevent conflicts of interest from arising and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. MSIM Co seeks to ensure that potential or actual conflicts of interest are appropriately resolved taking into consideration the overriding best interest of the client.

Certain employees of MSIM Co and related persons of MSIM Co have been designated to review transactions where conflicts of interest may exist, including those described above of this Item 11, to ensure that the applicable policies and legal or regulatory requirements are duly followed.

MSIM Co recommends transactions to clients based solely on investment considerations, including whether the investments are reasonably believed to be suitable for the client and meet the client's investment guidelines.

ITEM 12 BROKERAGE PRACTICES

In selecting a broker-dealer to execute trades on behalf of clients, we have the obligation to seek "best execution" for client transactions (i.e., the most favorable price and execution). In seeking best execution, we are not obligated to choose the broker-dealer offering the lowest available commission rate if, in our reasonable judgment, (i) there is material risk that the overall cost to purchase securities will be higher or the proceeds from the sale of securities will be lower; (ii) a higher commission is justified by the trading or research services provided by the broker-dealer that fall within the safe harbor of Section 28(e) of the 1934 Act, or (iii) other considerations, such as the order size, the time required for execution, the depth and breadth of the market for the security, minimum credit quality requirements to transact business with a particular broker-dealer, or the quality of the broker-dealer's back office dictate utilizing a different broker-dealer.

The commission rates paid by client accounts which prohibit the generation of soft dollars ("Execution Only Accounts") are not reduced below the rates paid by client accounts which generate soft dollars. Typically, Execution Only Accounts are included in "block" trades executed on behalf of all client accounts buying or selling the same security on the same day. Accordingly, notwithstanding the fact that soft dollars are not generated from the trades effected for Execution Only Accounts, clients prohibiting soft dollars will be paying the same commission rate paid by other clients included in the block trade which, as explained above, may be a higher commission rate than another broker would have charged.

When selecting an approved broker-dealer (including an affiliate) to execute securities transaction, the trading desk may consider the following factors:

- Reliability, integrity and reputation in the industry (which may include a review of financial information and credit worthiness);
- Execution capabilities, including block positioning, speed of execution and quality and responsiveness of its trading desk;
- Knowledge of and access to the markets for the securities being traded;
- Potential ability to obtain price improvement;
- Ability to maintain confidentiality;
- Ability to handle non-traditional trades;
- Commission rates;
- Technology infrastructure;
- Clearance and settlement capabilities; and
- Such other factors as may be appropriate.

Soft Dollars – Commission Management Program

Along with our Affiliated Advisers, we have established commission sharing arrangements under a Commission Management Program (the "CMP") pursuant to which execution and research commissions are tracked separately in accordance with applicable laws, rules, and regulations of the relevant jurisdictions.

Approved Equity CMP Partner Brokers are those executing brokers with which we or our Affiliated Advisers have agreement(s) to accrue research commission credits for the benefit of clients. Over a certain time period, the research credits are pooled at the Approved Equity CMP Brokers and a third party vendor (also known as the CMP Aggregator) who will, under our supervision, act as the administrator of certain CMP related activities which may include reconciliation of research credits with brokers, as well as holding research credits in an account for purposes of distribution to applicable research providers at a later time. These research credits are subsequently used to pay for eligible research services.

Under the CMP, we maintain an Approved Equity Research Provider list and select research providers from this list to provide eligible research services. An Approved Equity Research Provider may be an executing brokerage firm or an independent research provider. Eligible research services provided by Approved Equity Research Providers are paid for upon instruction by us. We, and our Affiliated Advisers, utilize a voting system and make a good faith determination of the value of the research services provided in accordance with Section 28(e) of the Exchange Act, Financial Conduct Authority rules and other relevant regulatory requirements. Generally, we will direct an Approved Equity CMP Partner Broker and/or a CMP Aggregator to issue payments corresponding to the outcome of this evaluation process. The research credits are pooled among us and our Affiliated Advisers and allocated on behalf of both us and our Affiliated Advisers for the benefit of our clients. Likewise, the research services obtained under the CMP are shared among us and our Affiliated Advisers.

Those costs not decoupled, but retained by the broker-dealer, directly pay for proprietary research services in accordance with Section 28(e) of the 1934 Act. Such transactions include equity transactions executed on an agency basis.

To the extent that personnel employed by us are also employed by one or more Affiliated Advisers and they are authorized to exercise investment discretion on behalf of another Affiliated Adviser, transactions involving client accounts managed by two or more Affiliated Advisers may be aggregated and executed using the services of broker-dealers that provide brokerage and research services so long as all client accounts involved in the transaction benefit from one or more of the services offered by such broker-dealer.

The research services received include those of the nature described above and other services which aid us in fulfilling our investment decision making responsibilities, including (a) furnishing advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; and (b) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. Where a particular item has both research and non-research related uses, we will make a reasonable allocation of the cost of the item between research and non-research uses and will only pay for the portion of the cost allocated to research uses with client brokerage transactions.

Certain investment professionals and other employees of ours are also officers of Affiliated Advisers and may provide investment advisory services to clients of such Affiliated Advisers. Research services furnished or paid for by brokers through whom we effect transactions for a particular account may be used by us or our Affiliated Advisers in servicing their other accounts and not all such services may be used for the benefit of the client which pays the brokerage commission which results in the receipt of such research services. Commissions paid to brokers providing research services may be higher than those charged by brokers not providing research services, or not part of the CMP. MSIM Co and our Affiliated Advisers make a good faith determination of the value of research services in accordance with Section 28(e) of the 1934 Act, UK Financial Conduct Authority Rules that also may apply and other relevant regulatory requirements.

Our personnel also provide research and trading support to personnel of certain Affiliated Advisers. Research related costs may be shared by Affiliated Advisers and may benefit the clients of such Affiliated Advisers. Research services that benefit us may be received in connection with commissions generated by clients of our Affiliated Advisers. Similarly, research services received in connection with commissions generated by our clients may benefit Affiliated Advisers and their clients. Moreover, research services provided by broker-dealers through which we effect transactions for a particular amount may be used by us and/or an Affiliated Adviser in servicing its other accounts and not all such research services may be used for the benefit of the particular client which pays the brokerage commission giving rise to the receipt of such research services.

Trade Allocations

Investment decisions for each client are made based on the individual investment mandate for each client, and in each client's best interest. We may, however, purchase or sell the same securities or instruments for a number of client accounts, including clients of our affiliates, simultaneously. These accounts may include pooled vehicles, including partnerships and investment companies for which we, along with related persons of ours, act as general partner, investment manager and/or administrator. They may also include accounts in which our officers, employees or related persons of ours have a financial interest, and accounts of deferred compensation and/or retirement plans covering our employees and those of our affiliates ("Proprietary Accounts"). As a general rule, contemporaneous orders placed on behalf of eligible clients in the same security will be blocked in a single order if the terms of the order are the same (e.g., orders at market price), to facilitate best execution and to reduce brokerage costs.

MSIM Co effect block transactions in a manner designed to ensure that no participating client, including any Proprietary Account, is favored over any other client. Specifically, all eligible accounts participating in a block trade receive the average price for transactions executed for that order.

Block trades are allocated to eligible client accounts in a fair and equitable manner. In general, accounts that participate in a block transaction will participate on a pro rata or other objective basis. Pro rata allocation of equity securities will generally consist of allocation based on the order size of a participating client account in proportion to the size of the orders placed for other accounts participating in the block trade.

Notwithstanding the foregoing, we may increase or decrease the amount of securities allocated to each account participating in a block trade if necessary to avoid holding odd-lot or small numbers of shares for

particular clients. Additionally, if we are unable to fully execute a block transaction and we determine that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro rata basis, we may allocate such securities in a manner determined in good faith to be a fair allocation.

Generally, with respect to fixed income securities and other instruments, we seek to allocate partial fills in a fair and equitable basis. However, due to the limited supply of certain securities and the differing portfolio characteristics among accounts, we may allocate such securities and other instruments using a method other than pro rata, based upon pre-determined criteria. These allocations are made in the good faith judgment of us with a goal of ensuring that fair and equitable allocation will occur over time.

Directed Brokerage

Limitations on our authority may vary depending upon the desires of each individual client. We, from time to time, have both Discretionary Clients (clients who have authorized us to execute transactions for their accounts without prior approval), as well as Non-Discretionary clients (clients who require that each securities transaction be authorized by them in advance). In either group, clients may limit our authority by: (1) requiring that certain securities transactions be authorized by them in advance, or (2) prohibiting or limiting the purchasing of certain securities or industry groups. In addition, a client may further limit our authority by requiring that all or a portion of the client's transactions be executed through the client's designated broker-dealer ("Designated Broker") and/or restricting us from executing the client's transactions through a particular broker-dealer.

In situations where a client directs or restricts brokerage for their accounts ("Directed/Restricted Trades"), because the client has placed limitations on the selection of broker-dealers to execute Directed/Restricted Trades, we may be unable to obtain best execution for such trades. We will direct to the Designated Brokers only agency transactions for the account that involve securities listed or quoted on a national securities exchange; a client direction may restrict our ability to obtain as favorable a transaction price or commission rate as we might otherwise be able to obtain; the account may forego benefits from savings on execution costs that may otherwise be obtained, most notably by aggregating brokerage orders for various client accounts; if a Designated Broker is not on our approved list of brokers, there may be additional credit and/or settlement risk for such trades; we will not be obligated to, and in most cases will not, negotiate with a Designated Broker to obtain commission rates more favorable or otherwise different than those to which the client has agreed; a Directed/Restricted Trade, may result in a client account paying higher or otherwise different commissions than other clients of ours for transactions in the same security; and where we effect a transaction through a Designated Broker pursuant to a Directed/Restricted Trade, we may effect such transaction after it has effected transactions in the same security for client accounts for which we have discretion to select the broker and trading venue. Where a client has directed brokerage for its account and maintains that we remain subject to best execution, if eligible we may aggregate those directed trades along with trades executed for other client accounts through the broker-dealer that we believe will offer the best execution for such transaction and, thereafter, instruct such broker-dealer to "step-out" or allocate a portion of the trades to the client's Designated Broker for billing and settlement. In other instances, where (i) the client has waived our best execution obligation and has been informed of the consequences of doing so; (ii) the client has represented to us that it has independently determined best execution; or (iii) we have determined that the trade is consistent with our

obligation to seek best execution, Directed/Restricted Trades may not be aggregated or "blocked" for execution with transactions in the same securities for other clients and may be traded after the order for the other client accounts has been completed. As a result, such clients may pay higher commissions or receive less favorable net prices than would be the case if we were authorized to choose the broker and trading venue through which to execute transactions for the client's account.

In situations in which a client has restricted or prohibited trading by us through our affiliated broker-dealer (or other broker-dealers) and we determine, subject to our obligation to seek best execution, to place a trade through that affiliated (or other) broker-dealer on behalf of our other client accounts, the restricted or prohibited trades may not be aggregated or "blocked" for execution with transactions in the same securities for other clients and may be traded after the order for the other client accounts has been completed. As a result, such clients may pay higher commissions or receive less favorable net prices than would be the case if we were authorized to execute such trades through our affiliated (or other) broker-dealer for the client's account.

If we agree to satisfy your direction to execute transactions for your account through Designated Brokers, you may be required to confirm that: (i) your direction is suitable and appropriate in respect of the account and you have not relied on investment advice from us (or any affiliate of ours) in connection with your direction; (ii) all services provided by any Designated Broker will inure solely to the benefit of the account and any beneficiaries of the account, are proper and permissible expenses of the account, and may properly be provided in consideration for brokerage commissions or other remuneration paid to such Designated Broker in connection with securities transactions effected for the account; (iii) any client direction to use a Designated Broker will be in the best interests of the account and any beneficiaries of the account, taking into consideration the services provided to the account by such Designated Broker; (iv) your direction will not conflict with any obligations that persons acting for the account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations that persons acting for the account may have to obtain best price and execution for the account and its beneficiaries; and (v) persons acting for the account have the requisite power and authority to provide the client directions set forth therein on behalf of the account and have obtained all consents, approvals or authorizations from any beneficiaries of the account and third parties that may be required under applicable law or any of the client's governing documents.

MSIM Co have adopted a Directed Brokerage Policy designed to balance the needs and requests of clients that have Directed/Restricted trades with those clients who do not partake in directed or restricted brokerage programs. Under our Directed Brokerage Policy: (i) only certain types of orders qualify for directed brokerage and (ii) Designated Brokers may only charge (or recapture) that part of the bundled commission that is consistent with the services being provided to us. In certain instances you may negotiate directed brokerage arrangements that differ from our Directed Brokerage Policy. Requests for such arrangements are addressed by us on a case by case basis.

ITEM 13 REVIEW OF ACCOUNTS

The portfolio managers of MSIM Co regularly review all accounts. Accounts are reviewed for a number of factors, including but not limited to, performance, sector and asset allocation, adherence to MSIM Co's investment policies and strategies and specific security ownership, all within the context of client guidelines and objectives.

Clients for whom MSIM Co manages separate accounts are provided reports of transactions as they are effected (if requested by the client), portfolio valuations and summaries of portfolio changes on a quarterly basis or as otherwise negotiated with the client. Additionally, MSIM Co meets with clients quarterly, annually or as requested to discuss the performance of the client's account, MSIM Co's management of the client's account, and any other issues of concern to the client. MSIM Co will provide additional reports or information to the client upon request.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

MSIM Co may compensate affiliated and unrelated third parties for client referrals in accordance with Rule 206(4)-3 of the Advisers Act's. The compensation paid to any such entity will typically consist of a cash payment stated as a percentage of MSIM Co's advisory fee, but may include cash payments determined in other ways.

ITEM 15 CUSTODY

Not applicable. Adviser does not take custody of any client assets/funds.

ITEM 16 INVESTMENT DISCRETION

MSIM Co typically receive discretionary authority to select the securities and other instruments to be bought or sold at the time we establish an advisory relationship with you by entering into an investment management agreement. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines. As discussed under Item 12 of this Brochure, clients may impose certain limitations on MSIM Co's use of broker-dealers.

For registered investment companies, MSIM Co's authority to trade securities may also be limited by certain federal securities and tax laws that require among other things, diversification of investments.

ITEM 17 VOTING CLIENT SECURITIES

MSIM uses its best efforts to vote proxies as part of its authority to manage, acquire and dispose of account assets. With respect to the Morgan Stanley Funds, MSIM votes proxies under the MSIM Proxy Voting Policies and Procedures (the "Policy"). MSIM will not vote proxies unless the investment management or investment advisory agreement explicitly authorizes MSIM to vote proxies.

MSIM and its affiliates will vote proxies in a prudent and diligent manner and in the best interests of clients, including beneficiaries of and participants in a client's benefit plan(s) for which MSIM and its affiliates manage assets, consistent with the objective of maximizing long-term investment returns ("Client Proxy Standard"). In certain situations, a client or its fiduciary may provide MSIM with a proxy voting policy. In these situations, MSIM will comply with the client's policy.

The Policy addresses a broad range of issues, and provides general voting parameters on proposals that arise most frequently. However, details of specific proposals vary, and those details affect particular voting decisions, as do factors specific to a given company. MSIM endeavors to integrate governance and proxy voting policy with investment goals, using the vote to encourage portfolio companies to enhance long-term shareholder value and to provide a high standard of transparency such that equity markets can value corporate assets appropriately.

MSIM seeks to follow the Client Proxy Standard for each client. At times, this may result in split votes, for example when different clients have varying economic interests in the outcome of a particular voting

matter (such as a case in which varied ownership interests in two companies involved in a merger result in different stakes in the outcome). MSIM also may split votes at times based on differing views of portfolio managers.

MSIM may abstain on matters for which disclosure is inadequate. MSIM usually supports routine management proposals except for certain “other business” and “meeting adjournment” proposals.

From time to time, MSIM retains third-party advisers to provide a variety of proxy-related services, including in-depth research, global issuer analysis, and voting recommendations (“Research Providers”). While MSIM may review and utilize the recommendations of such Research Providers, MSIM is in no way obligated to follow such recommendations, and votes all proxies based on the Policy and Client Proxy Standard. MSIM periodically performs due diligence on the Research Providers it retains.

Votes on board nominees can involve balancing a variety of consideration, including those related to board and board committee independence, term length, whether nominees may be overcommitted, director attendance and diligence, financial knowledge and experience, executive and director remuneration practices, and board responsiveness. MSIM considers withholding support from or voting against a nominee if it believes a direct conflict exists between the interests of the nominee and the public shareholders, including failure to meet fiduciary standards of care and/or loyalty. MSIM may oppose directors where it concludes that actions of directors are unlawful, unethical or negligent. MSIM considers opposing individual board members or an entire slate if it believes the board is entrenched and/or dealing inadequately with performance problems; if it believes the board is acting with insufficient independence between the board and management; or if it believes the board has not been sufficiently forthcoming with information on key governance or other material matters.

MSIM examines a range of issues—including proxy contests and proposals relating to mergers, acquisitions and other special corporate transactions—on a case-by-case basis in the interests of each client. MSIM supports substantial management/board discretion on capital structure, but within limits that take into consideration articulated uses of capital, existence of preemptive rights, and certain shareholder protections provided by market rules and practices. MSIM is generally supportive of reasonable shareholder rights.

MSIM votes on advisory votes on executive pay on a case-by-case basis. MSIM generally supports equity compensation plans if MSIM views potential dilution/cost as reasonable, and if plan provisions sufficiently protect shareholder interests. MSIM also support appropriately structured bonus and employee stock purchase plans. MSIM support proposals that if implemented would enhance useful disclosure, but we generally vote against proposals requesting reports that we believe are duplicative, related to matters not material to the business, or that would impose unnecessary or excessive costs.

MSIM considers social and environmental shareholder proposals on a case-by-case basis.

Process: An MSIM Proxy Review Committee (the “Committee”) has overall responsibility for the Policy. Because proxy voting is an investment responsibility and impacts shareholder value, and because of their knowledge of companies and markets, portfolio managers and other members of investment staff play a key role in proxy voting, although the Committee has final authority over proxy votes.

The Committee meets at least quarterly, and reviews and considers changes to the Policy at least annually. If the Director of MSIM’s Corporate Governance Team (the “CGT”) determines that an issue raises a material conflict of interest, the Director may request a special committee to review, and recommend a course of action with respect to, the conflict(s) in question.

Further Information: Clients may contact their Client Representative or Financial Advisor for information on how to obtain a copy of the Policy or proxy voting records. In the case of registered investment companies advised by the Adviser, the fund's proxy voting records filed with the SEC is available (i) without charge by accessing the Mutual Fund Center on the Adviser's web site at www.morganstanley.com/funds and (ii) on the SEC's web site at www.sec.gov.

ITEM 18 FINANCIAL INFORMATION

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