

Part 2A of Form ADV: Firm Brochure

MS Capital Partners Adviser Inc.

as Adviser to

North Haven Capital Partners VI

North Haven Capital Partners V

1585 Broadway, 39th Floor

New York, NY 10036

212-761-7160

<http://www.morganstanley.com/im/en-us/institutional-investor/strategies/private-credit-and-equity/american-middle-market-private-equity.html>

March 29, 2019

This Brochure provides information about the qualifications and business practices of MS Capital Partners Adviser Inc. (the “Adviser”), as Adviser to each of the Funds (as defined in Item 4 below). If you have any questions about the contents of this Brochure, please contact Morgan Stanley Investment Management Investor Services at (212) 761-7160 or email mspeinvestor@morganstanley.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “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 (or invest in a fund or product advised by the 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 following pooled investment vehicles that we advise: (i) North Haven Capital Partners VI; (ii) North Haven Capital Partners V; and (iii) and their related funds (collectively, the “Limited Partners”).

There have been no material changes since the last update of this Brochure, dated March 29, 2018.

We will provide clients and Limited Partners with a new Brochure as necessary based on material changes or new information, or at any time, without charge, upon request.

Our Brochure may be requested by contacting Morgan Stanley Investment Management Investor Services at (212) 761-7160 or email mspeinvestor@morganstanley.com.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9 – Disciplinary Information	16
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	24
Item 12 – Brokerage Practices	27
Item 13 – Review of Accounts	28
Item 14 – Client Referrals and Other Compensation.....	29
Item 15 – Custody.....	30
Item 16 – Investment Discretion.....	31
Item 17 – Voting Client Securities	32
Item 18 – Financial Information	33

Item 4 – Advisory Business

The Adviser was formed in 2008 and registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in 2008.

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

As of December 31, 2018, the Adviser had approximately \$6,813,233,307 of regulatory assets under management, all of which are managed on a discretionary basis.

The Adviser’s primary business is the management of pooled investment vehicles, including the Funds (defined below), whose investment strategy is described below.

- MS Capital Partners VI GP L.P. (the “NHCP VI General Partner”), an affiliate of the Adviser, is the general partner of North Haven Capital Partners VI LP, a Cayman Islands limited partnership (together with other related parallel, co-investment and feeder vehicles, “North Haven Capital Partners VI”).
- MS Capital Partners V GP L.P. (the “NHCP V General Partner”), an affiliate of the Adviser, is the general partner of North Haven Capital Partners V LP, a Delaware limited partnership (together with other related parallel, co-investment and feeder vehicles, “North Haven Capital Partners V”).

The NHCP VI General Partner and the NHCP V General Partner are collectively referred to as the “General Partners”.

North Haven Capital Partners VI and North Haven Capital Partners V are referred to as the “Funds”.

The Funds’ investment objective is to achieve attractive risk-adjusted returns primarily through investments in equity, equity-related and similar securities (including debt or other securities with equity like returns or an equity component) that are acquired in privately negotiated transactions, where the Funds and their affiliates will have a controlling or significant equity position. The Funds may also invest in debt, publicly-traded securities, and assets or instruments related to the foregoing. North Haven Capital Partners VI expects to invest primarily in investments in North America. North Haven Capital Partners VI may also consider similar investments in Latin America or other regions. The investment period of North Haven Capital Partners V has terminated and it is no longer making new investments.

Item 5 – Fees and Compensation

Certain fees and other compensation described herein are subject to negotiation with investors.

- **North Haven Capital Partners VI**

Management Fees

The Adviser generally receives an annual management fee (the “NHCP VI Management Fee”) from North Haven Capital Partners VI ranging from 1.25% to 1.75% of capital commitments during the investment period, and 1.0% to 1.50% of invested capital thereafter. The NHCP VI Management Fee is funded by the limited partners of North Haven Capital Partners VI (the “North Haven Capital Partners VI Limited Partners”) and is payable quarterly in advance. Upon termination of the management agreement between the Adviser and North Haven Capital Partners VI, the Adviser is generally required to repay to North Haven Capital Partners VI or to a replacement manager, as directed by the NHCP VI General Partner, the unearned portion (computed on the basis of the number of days elapsed), if any, of the NHCP VI Management Fee previously paid to the Adviser (see also “Co-Investments” below for additional information on the fees and expenses relating to co-investments).

The Adviser and its professionals may charge portfolio companies transaction fees, investment banking fees, advisory fees, directors’ fees, monitoring fees and other similar fees. An amount equal to 100% of North Haven Capital Partners VI’s allocable portion of all such fees (other than fees received by Morgan Stanley in respect of certain investment banking, advisory and other customary activities and services engaged in by Morgan Stanley in its role as an investment banking and brokerage firm) paid by portfolio companies to the Adviser, the NHCP VI General Partner or any of the investment professionals dedicated to North Haven Capital Partners VI (as described in the confidential offering memorandum of North Haven Capital Partners VI), net of any unreimbursed related expenses incurred by the Adviser or its affiliates or representatives in connection with the consummation, holding or disposition of a portfolio investment or the termination of an unconsummated investment will generally be applied to reduce the NHCP VI Management Fee otherwise payable to the Adviser by the North Haven Capital Partners VI Limited Partners.

Fees may be deducted from North Haven Capital Partners VI’s assets as and to the extent set forth in the limited partnership agreements of North Haven Capital Partners VI (the “North Haven Capital Partners VI Partnership Agreements”).

Carried Interest

The NHCP VI General Partner is generally entitled to carried interest with respect to each North Haven Capital Partners VI Limited Partner equal to 20% of such North Haven Capital Partners VI Limited Partner’s profits from each North Haven Capital Partners VI investment, subject to satisfaction of an 8% internal rate of return, compounded annually, for such investment and

previously realized investments and related management fees and other expenses. Such carried interest is earned on an investment-by-investment basis and is not payable until proceeds are realized from an investment (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

Expenses

North Haven Capital Partners VI may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to North Haven Capital Partners VI. The payment of such expenses by North Haven Capital Partners VI 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 North Haven Capital Partners VI. The most common expenses include (i) transfer, capital, and other taxes, duties and costs incurred in connection with identifying, evaluating, structuring and negotiating any potential North Haven Capital Partners VI investment and the acquisition, management, holding, sale, proposed sale, valuation or disposing of any North Haven Capital Partners VI investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated North Haven Capital Partners VI investments or unconsummated North Haven Capital Partners VI investments); (ii) ordinary administrative expenses, including fees of auditors, attorneys, appraisers and other professionals auditing, accounting, banking and consulting expenses (including expenses paid to the Adviser or to any of its affiliates for services rendered on an arms-length basis in connection with the North Haven Capital Partners VI's affairs); and (iii) other expenses borne by North Haven Capital Partners VI, including organization and syndication expenses; custodial fees; brokerage, registration, finders, depositary and similar fees or commissions; insurance premiums, indemnifications and costs of litigation; costs of report to partners and annual or special meetings; and interest expenses. 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 (i.e., commissions).

Placement Agent Fees

With respect to North Haven Capital Partners VI, broker-dealers (which may include the Adviser's affiliates) may have acted as placement agents to assist in the placement of North Haven Capital Partners VI interests. Any placement fee payable by an investor is in addition to that investor's capital commitment. The amount of any placement fee will be described in the placement agent's point of sale letter. However, any of the placement agents or distributors may have, in their sole discretion, waived the placement fees paid by an investor, including an investor that is an employee or affiliate of the NHCP VI General Partner and/or the Adviser.

- **North Haven Capital Partners V**

Management Fees

The Adviser generally receives an annual management fee (the “NHCP V Management Fee”) from North Haven Capital Partners V ranging from 0.75% to 1.5% of capital commitments during the investment period and invested capital thereafter. The NHCP V Management Fee is funded by the limited partners of North Haven Capital Partners V (the “North Haven Capital Partners V Limited Partners”) and is payable quarterly in advance. Upon termination of the management agreement between the Adviser and North Haven Capital Partners V, the Adviser is generally required to repay to North Haven Capital Partners V or to a replacement manager, as directed by the NHCP V General Partner, the unearned portion (computed on the basis of the number of days elapsed), if any, of the NHCP V Management Fees previously paid to the Adviser. Certain of the employee and other co-investment vehicles, however, pay no or a significantly reduced NHCP V Management Fee (see also “Co-Investments” below for additional information on the fees and expenses relating to co-investments).

The Adviser and its professionals may charge portfolio companies transaction fees, sponsor fees, monitoring fees, advisory fees, directors’ fees, commitment fees, closing fees, amendment fees, break up fees and other similar fees. An amount equal to 80% of North Haven Capital Partners V allocable portion of all such fees (other than fees received by Morgan Stanley in respect of certain investment banking, advisory and other customary activities and services engaged in by Morgan Stanley in its role as an investment banking and brokerage firm) paid by portfolio companies to the Adviser, the NHCP V General Partner or any of the investment professionals dedicated to North Haven Capital Partners V (as described in the confidential offering memorandum of North Haven Capital Partners V), net of any unreimbursed related expenses incurred by the Adviser or its affiliates or representatives in connection with unconsummated transactions, will generally be applied to reduce the NHCP V Management Fee otherwise payable to the Adviser by North Haven Capital Partners V Limited Partners.

In addition, the North Haven Capital Partners V Limited Partners of certain of the parallel funds are required to pay an administrative fee to the Adviser in annual installments in arrears of between 0.25% to 0.75% *per annum* of such North Haven Capital V Limited Partner’s capital commitments during the investment period and invested capital thereafter.

Fees may be deducted from North Haven Capital Partners V’s assets as and to the extent set forth in the limited partnership agreements of North Haven Capital Partners V (the “North Haven Capital Partners V Partnership Agreements”).

Carried Interest

The NHCP V General Partner is generally entitled to carried interest with respect to each North Haven Capital Partners V Limited Partner equal to 20% of such North Haven Capital Partners V

Limited Partner's profits from each North Haven Capital Partners V investment, subject to satisfaction of an 8% internal rate of return, compounded annually, for such investment and previously realized investments and related management fees and other expenses. Such carried interest is earned on an investment-by-investment basis and is not payable until proceeds are realized from an investment. Certain of the employee and other co-investment vehicles, however, are subject to no or a significantly reduced carried interest (see also "Co-Investments" below for additional information on the fees and expenses relating to co-investments).

Expenses

North Haven Capital Partners V may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to North Haven Capital Partners V. The payment of such expenses by North Haven Capital Partners V 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 North Haven Capital Partners V. The most common expenses include (i) transfer, capital, and other taxes, duties and costs incurred in connection with identifying, evaluating, structuring and negotiating any potential North Haven Capital Partners V investment and the acquisition, management, holding, sale, proposed sale, valuation or disposing of any North Haven Capital Partners V investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated North Haven Capital Partners V investments or unconsummated North Haven Capital Partners V investments); (ii) ordinary administrative expenses, including fees of auditors, attorneys, appraisers and other professionals auditing, accounting, banking and consulting expenses (including expenses paid to the Adviser or to any of its affiliates for services rendered on an arms-length basis in connection with North Haven Capital Partners V's affairs), and (iii) other expenses borne by North Haven Capital Partners V, including organization and syndication expenses; custodial fees; banking, brokerage, registration, finders, depository and similar fees or commissions; insurance premiums, indemnifications and costs of litigation; costs of report to partners and annual or special meetings; and interest expenses. 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 (i.e., commissions).

Placement Agent Fees

With respect to North Haven Capital Partners V, broker-dealers who are affiliates of the Adviser have, as the case may be, acted as placement agents to assist in the placement of North Haven Capital Partners V interests. Any placement fee not payable by the Adviser is in addition to an investor's capital commitment. The amount of any placement fee is described in the placement agent's point of sale letter. However, any of the placement agents or distributors may have, in their sole discretion, waived the placement fees paid by an investor, including an investor that is an employee or affiliate of the NHCP V General Partner and/or the Adviser.

- **All Funds**

Co-Investments

The terms of a co-investment applicable to one co-investor may be different than the terms applicable to another co-investor, including that certain co-investors may be required to pay carried interest and/or management fees while other co-investors (including affiliates of Morgan Stanley) may not be required to pay such amounts. The Adviser or each General Partner may or may not charge management fees, one time funding fees and/or carried interest in respect of co-investments, subject to the terms of any applicable agreements with investors. The allocation of any co-investment opportunities may directly or indirectly benefit the Adviser or any of the General Partners as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to a Fund and capital commitments to other Affiliated Investment Accounts (as defined herein). Co-investors in one or more specific investments will not necessarily be required to share in broken-deal expenses that are paid by a Fund, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to a Fund. The performance of co-investments is not aggregated with that of the Funds, including for purposes of determining a General Partner's carried interest or the Adviser's management fees under the relevant partnership agreement. See also "Allocation of Co-Investment Opportunities" in Item 11 below for additional information on the allocation of co-investment opportunities.

Disparate Fee Arrangements with Service Providers

Certain advisors and other service providers to the Funds (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), and/or their affiliates also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the General Partners, the Adviser or their affiliates. Such advisors and other service providers may be investors in any of the Funds, affiliates of the General Partners, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence a General Partner and the Adviser in deciding whether to select or recommend such a service provider to perform services for any of the Funds (the cost of which generally will be borne by the Funds and, indirectly, the relevant Fund's Limited Partners). In certain circumstances, advisors and other service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Morgan Stanley, the General Partners, the Adviser or their affiliates as compared to services provided to the Funds, which may result in more favorable rates or arrangements than those payable by any of the Funds. Item 10 further describes material relationships with Morgan Stanley and other affiliated entities.

The confidential offering memorandum for each Fund includes further details on fees, 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 and 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.

For North Haven Capital Partners V, in addition to the above, certain investment vehicles pay different levels of performance fees, which may create differing incentives for the Adviser when allocating investment opportunities. Specific parameters for allocations are included in the governing documents of North Haven Capital Partners V to address the conflicts inherent in these differing incentives.

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, the minimum investment amount varies among the investment vehicles that comprise each of the Funds. The General Partner reserves the right to waive any minimum investment requirement in its discretion. In addition, Limited Partner interests in any of the Funds (the “Interests”) may be purchased only by certain eligible investors who are (i) “accredited investors” as defined in Regulation D of the Securities Act of 1933, as amended, and (ii) “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act or “knowledgeable employees” as such term is defined in Section 3(c)(5) of the Investment Company Act.

In the case of employee funds, Interests have been offered and sold to investors who are “accredited investors” as defined in Regulation D of the Securities Act and, to the extent applicable, 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

• North Haven Capital Partners VI

Investment Strategies

North Haven Capital Partners VI's investment objective is to focus on investment opportunities in the middle market, where it pursues a value-added strategy that combines the talents of seasoned investment professionals and experienced operating partners and leverages the extensive global resources of Morgan Stanley to create a diversified portfolio of investments and to generate superior risk-adjusted returns for investors. North Haven Capital Partners VI intends to employ an investment strategy similar to that of its predecessor funds, centered around (i) leveraging the Morgan Stanley brand, network and resources to create proprietary or advantaged deal flow, to drive superior deal execution and to generate unique perspectives on opportunities for operational improvement; (ii) generating advantaged access to middle market investment opportunities; and (iii) employing a fully integrated operating partner model to drive active portfolio company management. North Haven Capital Partners VI has a broad mandate to make privately negotiated equity and equity-related investments in entities located primarily in North America. North Haven Capital Partners VI will pursue select investments in Europe opportunistically and may consider similar investments in Latin America or other regions. The management team of the Fund (the "Investment Team") consists of investment professionals located primarily in New York

Methods of Analysis

Preliminary Evaluation

The Adviser expects the Morgan Stanley network of resources and the Investment Team to generate approximately 300 investment opportunities annually across a wide variety of industries, and North Haven Capital Partners VI expects to consummate three to five of these investments a year. As such, the Investment Team's initial screening process is critical to efficiently allocate resources.

An initial review of each investment opportunity is carried out by one of the senior members of the Investment Team to determine whether such opportunity is consistent with North Haven Capital Partners VI's investment objectives in terms of size, geography, governance/control and return potential. If the opportunity fits North Haven Capital Partners VI's investment objectives, the opportunity is staffed with a Managing Director (defined below) and often an operating partner leading the evaluation of the attractiveness of the opportunity. The deal team will often utilize the extensive industry expertise resident in Morgan Stanley's Investment Banking and/or Equity Research (subject to applicable regulations, policies and procedures) areas to assist in this preliminary evaluation. Access to these unique resources enables the Investment Team to quickly and effectively assess each such opportunity and is a competitive advantage for North Haven Capital Partners VI as it maximizes the time that the Investment Team spends on compelling opportunities.

If the deal 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 (the “Managing Directors”) will discuss the attractiveness of the opportunity and whether Morgan Stanley’s resources and relationships can be utilized to give North Haven Capital Partners VI a meaningful competitive advantage relative to other potential investors. In general, the Investment Team will not pursue an opportunity unless it has determined that North Haven Capital Partners VI has such an advantage.

Active Evaluation

The Investment Team applies a proactive, thesis-driven and sector-focused approach to sourcing new investment opportunities. The Investment Team conducts semi-annual sector reviews to identify attractive sub-sectors that will likely benefit from the Investment Team’s current macro theses. For each selected sub-sector, the Investment Team: (i) partners with industry-leading executives to proactively identify and engage target companies, (ii) utilizes the vast Morgan Stanley network to identify proprietary opportunities in targeted sub-sectors, and (iii) leverages the strength and attractiveness of the Morgan Stanley brand to strengthen relationships with business owners and intermediaries.

Once the Investment Team identifies attractive sub-sectors, it utilizes the following strategies to source proprietary or advantaged deal flow:

- **Utilize the Morgan Stanley brand and reach to identify and attract industry-leading executives:** The Investment Team maintains an extensive network of industry executives who leverage their many years in a given industry to seek out attractive investment opportunities and work alongside North Haven Capital Partners VI in conducting transaction due diligence. The Morgan Stanley brand is instrumental in attracting and retaining this executive talent, allowing the Investment Team to partner with executives whose experience often exceeds the type of experience typical of the management of middle market companies. The Investment Team identifies and develops these relationships through introductions from the extensive Morgan Stanley network.
- **Utilize Morgan Stanley’s vast Wealth Management network to connect directly with business owners for proprietary deal flow:** Morgan Stanley Capital Partners is the only middle market private equity firm with direct access to the world’s largest network of financial advisors (approximately 16,700) whose clients include business owners, industry executives and family-owned enterprises. A dedicated group within Morgan Stanley Wealth Management collaborates with the Investment Team to help connect the business owner and industry executive clients of these financial advisors with the appropriate members of the Investment Team. The relationship between Morgan Stanley Capital Partners and Morgan Stanley Wealth Management is mutually beneficial— North Haven Capital Partners VI gains access to proprietary introductions, while a Morgan Stanley Wealth Management financial advisor benefits by delivering the firm to their client as well as through a formal incentive program that compensates a Morgan Stanley Wealth Management advisor in the event North Haven Capital Partners VI closes an investment from a referral.
- **Utilize the Morgan Stanley brand to originate and source proprietary deals:** Once the Investment Team identifies an attractive sub-sector, the Investment Team undertakes disciplined, methodical efforts to meet executives and directly source proprietary or advantaged deal flow. These efforts include attending tradeshows and industry conferences and proactively reaching out to

target companies and management teams. Throughout this process, the Investment Team believes it benefits greatly from the strength of the Morgan Stanley brand, which resonates strongly with executives.

- **North Haven Capital Partners V**

The investment period of North Haven Capital Partners V has expired and this Fund is not making any new investments.

The Adviser's advisory services to North Haven Capital Partners V are limited to managing and disposing of North Haven Capital Partners V's existing investments. North Haven Capital Partners V's investment objective has been to achieve attractive risk-adjusted returns primarily through investing in equity, equity-related and similar securities (including debt or other securities with equity like returns or an equity component) that are acquired in privately negotiated transactions, where North Haven Capital V and its affiliates will have a controlling or significant equity position. North Haven Capital Partners V has been permitted to make investments in debt or publicly-traded securities, and assets or instruments related to the foregoing. North Haven Capital Partners V has invested globally, with efforts focused primarily on investments in North America, Europe and Asia. The Adviser may cause North Haven Capital Partners V to employ hedging techniques to reduce the risk of adverse interest rate, currency, credit or security movements on investments. The Adviser's main sources of information and investment opportunities have been contacts with employees of Morgan Stanley and Morgan Stanley's network of clients, executives, partners and other industry participants.

From time to time, the Adviser may cause North Haven Capital Partners V to invest cash held by it in temporary investments or to employ hedging techniques to reduce the risk of adverse interest rate, currency, credit or security movements on investments.

Risk Considerations Associated with Investing - In General

The following is a non-exhaustive description of risks associated with investments generally and/or may apply to one or more types of investment technique.

- **General Economic and Market Risks.** The Funds' investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the Funds' investments. Unexpected volatility or lack of liquidity, such as the general market conditions that have prevailed recently, could impair the Funds' profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.
- **Cyber Security-Related Risks.** The Adviser is 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 the Adviser and its service providers, if applicable, use to service the Funds'; or operational disruption or failures in the physical infrastructure or operating systems that support the Adviser or its service providers, if applicable.

Cyber-attacks against, or security breakdowns of, the Adviser or its service providers, if applicable, may adversely impact the Adviser and the Funds potentially resulting in, among other things, financial losses; the Adviser's inability to transact business on behalf of the Funds; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Adviser may incur additional costs related to cyber security risk management and remediation. In addition, cyber security risks may also impact portfolio companies in which the Adviser invests on behalf of the Funds, which may cause the Funds' investments in such portfolio companies to lose value. There can be no assurance that the Adviser or its service providers, if applicable, will not suffer losses relating to cyber-attacks or other information security breaches in the future. While the Adviser has established business continuity and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems.

- **Legal and Regulatory Risks**

Section 619 of the Dodd-Frank Act (commonly referred to as the "Volcker Rule"), along with regulations issued by the Federal Reserve and other U.S. federal financial regulators ("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 that allow Morgan Stanley and its affiliates until July 21, 2022 at the latest to bring certain of their covered fund activities and investments into compliance with certain aspects of the Volcker Rule.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect the Adviser, a covered fund offered by the Adviser, the general partner of those funds, and the limited partners of such funds. For example, to sponsor and invest in certain covered funds, Morgan Stanley must comply with the Implementing Regulations' "asset management" exemption to the Volcker Rule's prohibition on sponsoring and investing in covered funds. Under this exemption, the investments made by Morgan Stanley (aggregated with certain affiliate and employee investments in a covered fund must not exceed 3% of the covered fund's outstanding ownership interests and Morgan Stanley's aggregate investment in covered funds does not exceed 3% of Morgan Stanley's Tier I capital. In addition, the Volcker Rule and the Implementing Regulations prohibit Morgan Stanley and its affiliates from entering into certain 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, covered funds that it sponsors or advises. For example, Morgan Stanley may not provide loans, hedging transactions with extensions of credit or other credit support to covered funds it advises. While we endeavor to minimize the impact on our covered funds and the assets held by them, Morgan Stanley's interests in determining what actions to take in

complying with 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 the Adviser and Morgan Stanley.

Departure of the United Kingdom (UK) from the European Union (EU). On June 23, 2016, the UK voted by referendum to leave the EU, an event widely referred to as “Brexit”. On 29 March 2017, the UK formally gave notice of its intention to leave the EU under Article 50 of the Treaty on the European Union. Since then, the UK and EU have been engaged in negotiations on the terms of the UK’s departure from the EU (the “Withdrawal Agreement”) and a framework for a future relationship (the “Framework”). The UK’s departure from the EU was scheduled to take place on 29 March 2019 but, with the UK yet to ratify the Withdrawal Agreement and Framework, this date has been extended to either 12 April 2019 (if the UK does not ratify those documents) or 22 May 2019 (if the UK does ratify those documents). The outcome of the Brexit process is unclear and possible outcomes include a “no deal” exit; an exit with a deal and transition period, a “soft Brexit” where the UK remains in the EU single market and/or customs union; and a revocation of the Article 50 notice such that the UK remains in the EU.

Pooled investment vehicles advised by the Adviser may make investments in the UK (before and after its expected departure from the EU), other EU member states and in non-EU countries that are directly or indirectly affected by the expected exit of the UK from the EU. Adverse legal, regulatory or economic conditions affecting the economies of the countries in which a fund managed by the Adviser conducts its business (including making investments) and any corresponding deterioration in global macro-economic conditions could have a material adverse effect on such client’s prospects and/or returns. Potential consequences to which a fund managed by the Adviser may be exposed, directly or indirectly, as a result of the UK referendum vote include, but are not limited to, reduced access to EU markets, market dislocations, economic and financial instability in the UK and other EU member states, increased volatility and reduced liquidity in financial markets, reduced availability of capital, an adverse effect on investor and market sentiment, Sterling and Euro destabilization, reduced deal flow in the fund’s target markets, increased counterparty risk and regulatory, legal and compliance uncertainties. Any of the foregoing or similar risks could have a material adverse effect on the operations, financial condition, returns, or prospects of the fund managed by the Adviser, the Adviser and/or sub-advisers, if any, in general. The effects on the UK, European and global economies of the exit of the UK (and/or other EU member states during the term of such fund) from the EU, or the exit of other EU member states from the European monetary area and/or the redenomination of financial instruments from the Euro to a different currency, are impossible to predict and to protect fully against.

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 it will be able to generate any level of returns for investors. The Adviser’s 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 Funds.

An illustrative list of risk factors is set forth below:

-
- potential loss of invested capital;
 - risk associated opportunistic investment strategies in certain industries;
 - risks associated with the realization and disposition of investments;
 - reliance on expertise of Morgan Stanley investment professionals;
 - highly competitive markets and prevailing regulatory or political climates;
 - illiquidity of investments;
 - limitations on transfers and withdrawals;
 - little or no current return on investments prior to their disposition;
 - significant degree of financial and/or business risk;
 - lack of diversification;
 - volatility of the global fixed income and equity markets;
 - lack of protection by financial covenants in debt investments;
 - leverage at the level of the Fund and/or portfolio companies;
 - adverse political developments and regulation in foreign countries;
 - reliance on portfolio company management;
 - exposure to portfolio company and related party claims;
 - potential liabilities related to portfolio company restructurings;
 - use of hedging techniques;
 - changes in general economic conditions and global economic and political events;
 - catastrophic and other force majeure events; and
 - burdensome regulation by one or more governmental entities in specific industries.

The foregoing list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment in the Funds. The risks summarized above are described in greater detail in the respective confidential offering memorandum of each Fund provided to Limited Partners. In addition, there are other risks (in addition to risks related to our investment strategy) associated with investing in

each Fund, which are described in each Fund's confidential offering memorandum. You may also request an updated explanation of risk factors by contacting Morgan Stanley Investment Management Investor Services at the contact details set forth above.

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, on the one hand, and each of the Funds, on the other hand, may exist and others may arise in connection with the operation of the Funds. Morgan Stanley's employees may also have interests separate from those of Morgan Stanley and the Funds. 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 Funds' 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 any of the Funds.

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, each Fund, their respective portfolio companies and their respective affiliates may use the commodity pool operator, commodity trading advisor and futures commission merchant registrations or exemptions of one or more of the following related persons: MS Credit Partners II GP L.P., MS Credit Partners III GP L.P., MS Capital Partners V L.P., MS Expansion Capital GP LP, MS Tactical Value Fund GP LP, NH Senior Loan Fund GP Ltd., Prime Property Fund Asia GP Pte Limited, Morgan Stanley Infrastructure GP LP, Morgan Stanley Infrastructure, Inc., Morgan Stanley India Infrastructure GP LP, Morgan Stanley Infrastructure III GP L.P., MS Capital Partners V GP L.P., MS Capital Partners VI GP L.P., MS Energy Partners GP LP, Morgan Stanley Private Equity Asia, L.L.C., Morgan Stanley, Private Equity Asia III, L.L.C., Morgan Stanley Private Equity Asia V GP ONT, L.P., MS Thai Private Equity GP LLC, Morgan Stanley Private Equity Asia IV, L.L.C., MSREF V, L.L.C., MSREF V U.S.-GP, L.L.C., MSREF V, International-GP, L.L.C., MSREF Real Estate Advisor, Inc., MSREF VII Hedging GP, Ltd., MSREF VII Global-GP, L.P., MSREF VIII Global-GP, L.P., North Haven Real Estate Fund VIII Global-F, L.P., MSREI IX Global-GP, L.P., Morgan Stanley Infrastructure II GP LP, Morgan Stanley Real Estate Special Situations III-GP LLC, SSF III Hedging GP, Ltd., MS Capital Partners Adviser, Inc., Morgan Stanley Private Equity Asia Inc., Morgan Stanley AIP GP LP, Morgan Stanley Alternative Investment Partners LP, and Morgan Stanley Investment Management 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, each Fund or their respective 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 Funds and the General Partners 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

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 Funds (in such capacity, the "Participating Affiliates"). The Participating Affiliates also may provide non-advisory services to the Adviser and the Funds. 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 Funds.

- Other Advisory Affiliates

The Adviser is part of a group of SEC-registered investment advisers within the Morgan Stanley Investment Management business, including Morgan Stanley Investment Management Inc., Morgan Stanley Investment Management Limited, Morgan Stanley Investment Management (Japan) Co., Ltd., Morgan Stanley AIP GP LP, Morgan Stanley Asset Management Private Limited, Morgan Stanley Real Estate Advisor, Inc., Morgan Stanley Infrastructure Inc., Morgan Stanley Private Equity Asia, Inc., MSREF V, L.L.C., MSREF Real Estate Advisor, Inc., MSRESS III Manager, L.L.C., and Mesa West Capital, LLC.

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 the Limited Partners 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 any of the Funds 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 Funds may use registered representatives and/or employees of its affiliates to conduct solicitation activities in relation to new or oncoming limited partners to the Funds 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 Funds.

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

Morgan Stanley has long-term relationships with a significant number of institutions and corporations and their advisors as well as with certain Limited Partners. In determining whether to pursue a particular transaction on behalf of any of the Funds, 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 any of the Funds in view of such relationships

In addition, Morgan Stanley could provide investment banking services to competitors of companies in which any Fund invests, in which case it will take appropriate steps to safeguard the confidential information of each investment banking client. Morgan Stanley is under no obligation to share and, in fact, may be prohibited by applicable law, from sharing any confidential or material non-public information with any Fund or the Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis a Fund's portfolio companies and may also result in a conflict with respect to the allocation of investment banking resources to portfolio companies. Alternatively, any material non-public information about a potential investment or portfolio company in which Morgan Stanley comes into possession may preclude the Funds from pursuing an investment or exit opportunity with respect to such portfolio company or investment.

Morgan Stanley may also be engaged to act as financial advisor to financially troubled companies in which one or both Funds holds an investment. Morgan Stanley's compensation for such activities is generally based upon the successful completion of a restructuring which may include raising funds for the purchase, exchange or restructuring of existing securities or loans or for an equity infusion. In such case, certain conflicts of interest would be inherent in the situation including those involved in valuing the company.

- Other Limited Partnership Investment Vehicles or Funds
 - General; Carried Interests

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.

To the extent carried interest is permitted by a Fund's partnership agreement, a General Partner's carried interest may create an incentive for such General Partner to make more speculative investments for such 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 a General Partner, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments. For example, a General Partner will value any securities being distributed in-kind to investors in order to calculate the carried interest. If the valuations conducted by a 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 Funds. Morgan Stanley may also from time to time create new or successor Affiliated Investment Accounts that may compete with the Funds and may present similar conflicts of interest. Certain members of the Funds’ respective Investment Teams and their investment committees 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 Funds. In addition, certain Affiliated Investment Accounts may make investments similar to those that may be made by the Funds 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 a 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 Funds.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite one or both Funds to co-invest with it or a General Partner may invite Morgan Stanley or an Affiliated Investment Account to co-invest with one or both Funds, in either the same or different tiers of a portfolio company’s capital structure or in an affiliate of such portfolio company. To the extent the relevant Fund holds investments in the same portfolio company 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. See also “Allocation of Co-Investment Opportunities” in Item 11 below for additional information on the allocation of co-investment opportunities.

- Other Morgan Stanley Investment Management Activities

Morgan Stanley and its affiliates invest, on behalf of themselves, in securities and other instruments that would be appropriate for, are held by, or may fall within the investment guidelines of a client. In connection with these activities, Morgan Stanley may also take actions for its own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for, one or more clients and/or the Funds.

Morgan Stanley, through its affiliates, invests in many of the private investment funds for its own account where Morgan Stanley affiliates act as an investment adviser and/or general partner. In addition, Morgan Stanley may receive performance-based compensation or benefit from a “carried interest” which is tied to the investment performance of such private investment funds. Morgan Stanley may engage in a variety of transactions, including entering into derivatives contracts, to limit its exposure to the risk of such investments. For example, Morgan Stanley may choose to hedge exposures (currency, interest rate, equities or commodities) arising from its investments in, or exposure to, through performance-based fees or carried interest, such private investment funds. These hedging activities may be inconsistent with the investment or hedging activities undertaken by Morgan Stanley affiliates acting as general partner and/or adviser to such private investment funds.

As a result of, and taking into account, such hedging, the performance of investors in such private investment funds who do not engage in hedging on their own may differ materially from those investors (including Morgan Stanley) who do engage in such activities. In addition, such activities may diminish the alignment of interest between Morgan Stanley and a particular private fund’s investors.

- 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 any 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 Funds, but in which the Funds might be unable to invest. Accordingly, in these situations, there may be conflicts of interest 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 one or more of 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. Additionally, these management persons may come into possession of confidential non-public information and may be recused from certain investment-related discussions, including Investment Committee meetings, so that such members do not receive information that would limit their ability to perform functions of their employment with Morgan Stanley unrelated to the Funds. Consequently, in carrying out their roles with the Adviser or any 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 conflict and franchise committees, for potentially significant conflicts that cannot be resolved in the ordinary course 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 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 Fund with respect to certain conflict situations or matters under the Advisers Act.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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 support the Adviser (including employees of Participating Affiliates) in providing investment advice to the Funds or their General Partners and who have access to non-public information regarding the purchase or sale of securities, or who make securities recommendations to the Funds or their General Partners, or who have access to such recommendations that are non-public (“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 current or prospective investors invest in our Funds. Prior to subscribing for Interests, investors receive information relating to potential conflicts of interest between the activities of each Fund and the business activities of the Adviser, and its affiliates, or clients that may have a financial interest in the securities in which each 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 may 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 fund and client account governing documents.

Allocation of Investment Opportunities

The Adviser has a governance process in place 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 (see also “Allocation of Co-Investment Opportunities” below)
- Other relevant business considerations

Allocation of Co-Investment Opportunities

The respective General Partners of each Fund may offer co-investment opportunities with respect to none, some or all of a Fund’s investments. In the event that a General Partner offers co-investment opportunities, such opportunities will be offered pursuant to the terms of the applicable partnership agreement. With respect to certain of the Funds, certain of the investors may have priority rights (but not obligations) to participate in co-investment opportunities, subject to the terms and conditions of the applicable Partnership Agreement, subscription agreement, side letter agreement or other agreement setting forth such priority rights. After the allocation of co-investment opportunities to such investors with priority rights to co-investment opportunities (if any), a General Partner may allocate the remainder (if any) of co-investment opportunities among interested parties in their sole discretion including for example, on the basis of the size of investor commitments to a Fund and other Affiliated Investment Accounts as well as a broad range of other considerations, including, commercial considerations for the applicable portfolio investment, a Limited Partner’s stated desire to participate in co-investments, the General Partner’s determination of the appropriateness of offering a co-investment opportunity, an

investor's ability to execute such offer and the approval of transaction counterparties. There can be no assurance with respect to the amount of any co-investment opportunity that will be made available to a Limited Partner in connection with a Fund, and there is no guarantee, prediction or projection of the availability to a Limited Partner of future co-investment opportunities.

Investing in any Fund does not entitle a Limited Partner to allocations of co-investment opportunities. Co-investment opportunities may, and typically will, be offered to some and not other investors or to third parties (including affiliates of Morgan Stanley) who are not investors in any of the Funds. In addition, subject to the foregoing priority rights (if applicable), an investor may be offered fewer co-investment opportunities than investors with the same or smaller capital commitments in any Fund and other Affiliated Investment Accounts, and some investors may receive no such offers while other investors with capital commitments of the same or lower amount may receive substantial offers for such opportunities. Limited Partners are not required to participate in co-investments offered by a General Partner. The actual number of co-investment opportunities made available to Limited Partners may be significantly higher or lower than those made available in connection with other Affiliated Investment Accounts.

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 Funds make, broker-dealers are not generally used for transactions. However, when executing transactions on behalf of a 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

Each Fund's respective 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 each 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 each 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 relevant Fund, which include, among other things, financial statements and descriptions of the investments of those funds.

Item 14 – Client Referrals and Other Compensation

The Adviser may have from time to time compensated placement agents (which may include certain of its affiliates) in return for referrals of Limited Partners. 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 Funds' cash and securities by virtue of its relationship with the General Partners of each Fund. Generally, Limited Partners of the Funds receive the relevant Fund's audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of the relevant Fund's fiscal year.

For North Haven Capital Partners V Funds or clients that do not receive audited financial statements on an annual basis as described above, those fund investors or clients receive account statements from banks and other qualified custodians, in addition to reports they receive from the Adviser (as described in Item 13). Such fund investors or clients are urged to compare reports they receive from the Adviser to those they receive from banks and other qualified custodians.

Item 16 – Investment Discretion

As the manager of the Funds, the Adviser will have discretion to recommend to the General Partners, without consent of the Limited Partners, the particular securities to be bought and sold, the broker or dealer (including a Morgan Stanley affiliate) to be used (if any) and the commission rates to be paid by the Funds in cases where a broker or dealer is used. The Adviser will provide investment advice to the Funds, subject to certain investment limitations regarding diversification and type of permitted investments as set forth in the applicable partnership agreements.

When executing transactions on behalf of a Fund through a broker, dealer or underwriter, the Adviser's objective will be to obtain the most favorable commission and the best price available on each transaction in light of the quality of execution provided. Consequently, brokers, dealers and underwriters are selected primarily on the basis of their execution, capability and trading expertise.

The Adviser generally receives discretionary authority from a Fund at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Such authority is provided in Adviser's advisory contract with each Fund and/or under the terms of the partnership 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 particular 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 similar agreement. These agreements are entered into in the best interests of the clients, and may require the Adviser 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 are or will become 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 the 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 disclosure about the Adviser's financial condition. The Adviser 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.