

Part 2A of Form ADV: Firm Brochure

MS Capital Partners Adviser Inc.

as Adviser to

North Haven Expansion Capital LP

North Haven Expansion Equity LP

North Haven Expansion Credit LP

North Haven Expansion Equity IX LP

North Haven Expansion Credit II LP

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March 30, 2024

This Brochure provides information about the qualifications and business practices of MS Capital Partners Adviser Inc., as Adviser to North Haven Expansion Capital LP, North Haven Expansion Equity LP, North Haven Expansion Credit LP, North Haven Expansion Credit II LP, and North Haven Expansion Equity IX LP. 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 MSPCE@seic.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 may help you determine whether to hire or retain an adviser.

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

Item 2 – Material Changes

We provide this brochure to our clients as well as limited partners of the following pooled investment vehicles that we advise: (i) North Haven Expansion Capital LP; (ii) North Haven Expansion Equity LP; (iii) North Haven Expansion Credit LP; (iv) North Haven Expansion Credit II LP and (v) North Haven Expansion Equity IX LP (collectively, the “Limited Partners”).

There have been no material changes since the last update of this Brochure, dated May 9, 2023. However, Item 5 has expanded upon the description of fees and compensation, Item 8 has expanded upon the description of potential investment risk factors and Items 10 and 11 have expanded upon the description of financial industry affiliations and potential conflicts of interest.

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

Our Brochure may be requested by contacting Morgan Stanley Investment Management Investor Services at 212-761-7160 or by email to MSPCE@seic.com.

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Item 4 – Advisory Business

MS Capital Partners Adviser Inc. (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 Morgan Stanley.

As of December 31, 2023, the Adviser had approximately \$27,265,226,001 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 Expansion Capital GP LP (the “NH Capital General Partner”), MS Expansion Equity GP LP (the “Expansion Equity General Partner”) and MS Expansion Equity IX GP LP (“NHEE IX General Partner”, collectively the “Expansion Capital General Partners”) each affiliates of the Adviser and each a Delaware limited partnership, are the respective general partners of (i) North Haven Expansion Capital LP (the “NH Capital Fund”) and North Haven Expansion Capital Co-Investment Vehicle LP, a Delaware limited partnership, (“NH Capital Co-Investment Vehicle” together with North Haven Expansion Capital LP and its related parallel and feeder vehicles, the “NH Capital Funds”); (ii) North Haven Expansion Equity LP (the “Expansion Equity Fund”) and North Haven Expansion Equity Opportunity Fund LP (“Expansion Opportunity Fund”), a Delaware limited partnership (together with Expansion Equity Fund and its related parallel and feeder vehicles, the “Expansion Equity Funds”) and (iii) North Haven Expansion Equity IX LP (the “NHEE IX Fund”). The NH Capital Funds, Expansion Equity Funds and the NHEE IX Fund shall be collectively referred to herein as the “Expansion Capital Funds” or “Expansion Capital Partnerships.” The terms of the Expansion Capital Partnerships set forth herein are summary descriptions only and are qualified in their entirety by the offering and governing documents of the Expansion Capital Partnerships.

The Expansion Capital Funds’ investment objective is to achieve attractive risk-adjusted returns primarily through the creation of a portfolio of investments in equity-related and similar securities (including debt and other securities with equity-like returns or an equity component) that are acquired primarily in privately negotiated transactions, where the Expansion Capital Funds and their affiliates will have a controlling or significant equity position. The Expansion Capital Funds may also invest in debt or publicly traded securities and assets or instruments related to the foregoing. The Expansion Capital Funds expect to invest primarily in the United States, Canada and Western Europe and may invest in companies located in other countries when attractive opportunities arise.

MS Expansion Credit GP L.P. (the “Expansion Credit General Partner”), an affiliate of the Adviser, is the general partner of North Haven Expansion Credit LP, a Delaware limited partnership (the “Expansion Credit Fund”) and its related funds, including but not limited to North Haven Expansion Credit Opportunity Fund LP (the “Expansion Credit Opportunity Fund”), a Delaware limited partnership. MS Expansion Credit II GP LP (the “ECII General Partner”; together with the “Expansion Credit General Partners”), an affiliate of the Adviser, is the general partner of North Haven Expansion Credit II LP, a Delaware limited partnership (the

“Expansion Credit II Fund”; together, with the Expansion Credit Fund and its related parallel and feeder vehicles, the “Expansion Credit Funds” or the “Expansion Credit Partnerships”). The terms of the Expansion Credit Partnerships set forth herein are summary descriptions only and are qualified in their entirety by the offering and governing documents of the Expansion Credit Partnerships.

The Expansion Credit Funds’ investment objective is to achieve current returns and long-term capital appreciation primarily through the creation of a portfolio of investments in fixed income loan and debt securities in growth companies that are acquired primarily in privately negotiated transactions. The Expansion Credit Funds will invest in a diversified portfolio of growth credit investments primarily in North America, which may include senior secured notes, senior subordinated notes, second lien debt, convertible notes, preferred stock, convertible preferred stock and other similar investments, and common equity and warrants related to such growth credit investments. The Expansion Credit Funds expect to invest primarily in companies located in the United States, Canada and Western Europe and may invest in companies located in other countries when attractive opportunities arise, subject to certain limitations.

The Expansion Capital General Partners and the Expansion Credit General Partner are collectively referred to as the “General Partners”.

The Expansion Capital Funds and the Expansion Credit Funds are referred to as the “Funds”.

Item 5 – Fees and Compensation

Certain fees and other compensation described herein are subject to negotiation with investors. The Adviser is not required to inform of, or offer any similar arrangements to, any other client or investor, except as agreed with each such person or as required by applicable law.

Expansion Capital Funds:

NH Capital Fund and NH Capital Co-Investment Vehicle

- **Management Fees**

The Adviser will generally be entitled to receive an annual management fee (the “NH Capital Management Fee”) from the NH Capital Fund ranging from 1.75% to 2.5% of capital commitments during the investment period and remaining invested capital thereafter. The NH Capital Management Fee will be funded by the limited partners of the NH Capital Funds (the “NH Capital Limited Partners”) and will be payable quarterly in arrears. Upon termination of the management agreement between the Adviser and the NH Capital Fund, the Adviser will generally be required to repay to the NH Capital Fund or to a replacement manager, as directed by the NH Capital General Partner of the NH Capital Fund, the unearned portion (computed on the basis of the number of days elapsed), if any, of the NH Capital Management Fees previously paid to the Adviser. The investment period for the NH Capital Fund ended in 2016 (See also “Co-Investments” below for additional information on the fees and expenses relating to co-investments).

At the discretion of the NH Capital General Partner, certain employees and members of the NH Capital Fund Limited Partner advisory committee, may be subject to no or a reduced NH Capital Management Fee.

The Adviser will generally be entitled to receive an annual management fee (the “NH Capital Co-Investment Management Fee”) from the NH Capital Co-Investment Vehicle ranging from 0 to 2.5% of remaining invested capital. (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 100% of the NH Capital Fund’s allocable portion of all such fees (other than fees received 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 NH Capital General Partner or any of the investment professionals dedicated to the NH Capital Fund (as described in the confidential offering memorandum of the NH Capital Fund), net of any unreimbursed related expenses incurred by the Adviser, the NH Capital General Partner or their affiliates or representatives in connection with the NH Capital Fund’s holding or disposition of a portfolio company or the termination of an unconsummated, will generally be applied to reduce the NH Capital Management Fee or NH Capital Co-Investment Management Fee

otherwise payable to the Adviser by the NH Capital Limited Partners.

Fees may be deducted from the NH Capital Fund's assets as and to the extent set forth in the limited partnership agreements of the NH Capital Fund (the "NH Capital Partnership Agreement").

- **Carried Interest**

The NH Capital General Partner will generally be entitled to carried interest with respect to each NH Capital Limited Partner equal to 20% of such NH Capital Limited Partner's profits from each NH Capital Fund investment. Such carried interest is earned on an investment-by-investment basis and is not payable until proceeds are realized from an investment net of fees and expenses. Certain of the employee and other co-investment vehicles, as well as members of the NH Capital Limited Partner advisory committee, 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).

The NH Capital General Partner will not receive carried interest in respect of the NH Capital Co-Investment Vehicle. (See also "Co-Investments" below for additional information on the fees and expenses relating to co-investments).

Expansion Equity Fund and Expansion Opportunity Fund

- **Management Fees**

The Adviser will generally be entitled to receive an annual management fee (the "Expansion Equity Management Fee") from the Expansion Equity Fund equal to 2.0% of capital commitments during the investment period and invested capital thereafter. The Expansion Equity Management Fee will be funded by the limited partners of the Expansion Equity Fund (the "Expansion Equity Fund Limited Partners") and will be payable quarterly in arrears. Upon termination of the management agreement between the Adviser and the Expansion Equity Fund, the Adviser will generally be required to repay to the Expansion Equity Fund or to a replacement manager, as directed by the Expansion Equity General Partner of the Expansion Equity Fund, the unearned portion (computed on the basis of the number of days elapsed), if any, of the Expansion Equity Management Fees previously paid to the Adviser.

At the discretion of the Expansion Equity General Partner, certain employees and members of the Expansion Equity Limited Partner advisory committee, may be subject to no or a reduced Expansion Equity Management Fee.

The Adviser will generally be entitled to receive an annual management fee (the "Expansion Opportunity Management Fee") from the Expansion Opportunity Fund equal to 2.0% of remaining invested capital. (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 100% of the Expansion Equity Fund's allocable portion of all such fees (other than fees received 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 Expansion Equity General Partner or any of the investment professionals dedicated to the Expansion Equity Fund (as described in the confidential offering memorandum of the Expansion Equity Fund), net of any unreimbursed related expenses incurred by the Adviser, the Expansion Equity General Partner or their affiliates or representatives in connection with the Expansion Equity Fund's holding or disposition of a portfolio company or the termination of an unconsummated transactions, will generally be applied to reduce the Expansion Equity Management Fee or Expansion Opportunity Management Fee otherwise payable to the Adviser by the Expansion Equity Fund Limited Partners.

Fees may be deducted from the Expansion Equity Fund's assets as and to the extent set forth in the limited partnership agreements of the Expansion Equity Fund (the "Expansion Capital Partnership Agreement").

- **Carried Interest**

The Expansion Equity General Partner will generally be entitled to carried interest with respect to each Expansion Equity Fund Limited Partner equal to 20% of such Expansion Equity Fund Limited Partner's profits from each Expansion Equity Fund investment. Such carried interest is earned on an investment-by-investment basis and is not payable until proceeds are realized from an investment net of fees and expenses. Certain of the employee and other co-investment vehicles, as well as members of the Expansion Equity Limited Partner advisory committee 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).

The Expansion Equity General Partner will generally be entitled to carried interest with respect to each Expansion Opportunity Fund Limited Partner equal to 10% of such Expansion Opportunity Fund Limited Partner's profits from each Expansion Opportunity Fund investment. Such carried interest is earned on an investment-by-investment basis. (See also "Co-Investments" below for additional information on the fees and expenses relating to co-investments).

NHEE IX Fund

- **Management Fees**

The Adviser will generally be entitled to receive an annual management fee (the "NHEE IX Management Fee") from the NHEE IX Fund which during the investment period will be calculated based on each limited partner's capital commitments and after the investment period will be based on each limited partner's remaining invested capital, in each case equal to (i) with respect to each limited partner that has a capital commitment of less than \$5 million, 1.75% per annum, (ii) with respect to each limited partner that has a capital commitment of \$5 million or greater and less than \$20 million, 1.5% per annum, and (iii) with respect to each limited partner that has a capital commitment of \$20 million or greater, 1.25%

per annum. The NHEE IX Management Fee will be funded by the limited partners of the NHEE IX Fund (the “NHEE IX Fund Limited Partners”) and will be payable quarterly in advance. Upon termination of the management agreement between the Adviser and the NHEE IX Fund, the Adviser will generally be required to repay to the NHEE IX Fund or to a replacement manager, as directed by the NHEE IX General Partner, the unearned portion (computed on the basis of the number of days elapsed), if any, of the NHEE IX Management Fees previously paid to the Adviser.

At the discretion of the NHEE IX General Partner, certain employees of Morgan Stanley, certain “friends and family” as determined by the NHEE IX General Partner in its discretion, members of the NHEE IX Fund Limited Partner advisory committee, NHEE IX Limited Partners who appoint members to the NHEE IX Fund Limited Partner advisory committee and certain investors that provide economic or other benefits to the NHEE IX Fund (e.g., strategic investors), may be subject to no or a reduced NHEE IX Management Fee.

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 100% of the NHEE IX Fund’s allocable portion of all such fees (other than fees received 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 NHEE IX General Partner or any of the investment professionals dedicated to the NHEE IX Fund (as described in the confidential offering memorandum of the NHEE IX Fund), net of any unreimbursed related expenses incurred by the Adviser, the NHEE IX General Partner or their affiliates or representatives in connection with the NHEE IX Fund’s holding or disposition of a portfolio company or the termination of an unconsummated transactions, will generally be applied to reduce the NHEE IX Management Fee otherwise payable to the Adviser by the NHEE IX Fund Limited Partners.

Fees may be deducted from the NHEE IX Fund’s assets as and to the extent set forth in the limited partnership agreements of the NHEE IX Fund (the “NHEE IX Partnership Agreement”).

- **Carried Interest**

The NHEE IX General Partner will generally be entitled to carried interest with respect to each NHEE IX Fund Limited Partner equal to 20% of such NHEE IX Fund Limited Partner’s profits from each NHEE IX Fund investment. Such carried interest is earned on an investment-by-investment basis and is not payable until proceeds are realized from an investment net of fees and expenses. Certain employees of Morgan Stanley and certain members of the NHEE IX Fund Limited Partner advisory committee (or the limited partners that appoint such members) however, may be subject to no or a significantly reduced carried interest at the discretion of the NHEE IX General Partner.

- **Reimbursement of Certain Expenses**

The Expansion Capital Funds may also bear certain out-of-pocket expenses incurred by the Adviser and/or

its affiliates in connection with the services provided to such Expansion Capital Funds. The payment of such expenses by the Expansion Capital Funds does not represent a source of profit for the Adviser, but rather is a reimbursement of actual costs initially paid by the Adviser (or its affiliates) and subsequently passed through to the Expansion Capital Funds. The most common expenses include (i) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential Expansion Capital Funds' investment and the acquisition, management, holding, sale, proposed sale or valuation of any Expansion Capital Funds' investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated Expansion Capital Funds' investments or unconsummated Expansion Capital Funds' investments); and (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 Expansion Capital Funds' affairs).

- Placement Agent Fees

With respect to the Expansion Capital Funds, broker-dealers who are the Adviser's affiliates will as the case may be act as placement agents to assist in the placement of the Expansion Capital Funds' interests. Any placement fee payable by an investor will be 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. (or similar disclosure documents). However, the placement agents or distributors may in their sole discretion waive the placement fees payable by an investor, including an investor that is an employee or affiliate of the Expansion Capital General Partners and/or the Adviser.

Certain NHEE IX Limited Partners will be required to make an annual contribution to the NHEE IX Fund ("NHEE IX Investor Servicing Amount") ranging from 0.25% to 0.75% of such NHEE IX Limited Partner's capital commitment during the investment period and from 0.25% to 0.75% of such NHEE IX Limited Partner's remaining invested capital after the investment period. The NHEE IX Investor Servicing Amount is expected to be payable on or about the dates such NHEE IX Limited Partner is required to make capital contributions to the NHEE IX Fund with respect to the NHEE IX Management Fee. The NHEE IX Investor Servicing Amount will be used to compensate the affiliated placement agent in connection with the sale, distribution, retention and/or ongoing services to NHEE IX Limited Partners.

The confidential offering memoranda for the Expansion Capital Funds include further details on fees and compensation and related matters.

- Referral Fees

From time to time, affiliates of the Adviser may refer or introduce a counterparty to an Expansion Capital Fund in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from such Expansion Capital Fund, not from the counterparty. Such compensation would not offset or reduce the management fees payable by the Fund and would not otherwise be shared with the Fund unless required by the Governing Documents (as defined below).

Expansion Credit Funds:

Expansion Credit Fund and Expansion Credit Opportunity Fund

- **Management Fees**

The Adviser will generally be entitled to receive an annual management fee (the “Expansion Credit Management Fee”) from the Expansion Credit Funds of 1.5% of capital commitments during the investment period and 1.5% of capital contributions used to fund the capital cost of unrealized portfolio investments thereafter. The Expansion Credit Management Fee will be funded by the limited partners of the Expansion Credit Funds (the “Expansion Credit Limited Partners”) and will be payable quarterly in advance. Upon termination of the management agreement between the Adviser and the applicable Expansion Credit Fund, the Adviser will generally be required to repay to such Expansion Credit Fund or to a replacement manager, as directed by the Expansion Credit General Partner of the applicable Expansion Credit Fund, the unearned portion (computed on the basis of the number of days elapsed), if any, of the Expansion Credit 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 investment period for the Expansion Credit Fund ended on December 31, 2019.

At the discretion of the Expansion Credit General Partners, certain employees and members of the applicable Expansion Credit Limited Partner advisory committee may be subject to no or a reduced Expansion Credit Management Fee.

The Adviser will generally be entitled to receive an annual management fee (the “Expansion Credit Opportunity Fund Management Fee”) from the Expansion Credit Opportunity Fund of 1.5% of remaining invested capital. Certain investors may be subject to no or a reduced Expansion Credit Opportunity Fund 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 commitment and consent fees or other similar fees, provided such fees are treated as amounts received or accrued as consideration for entering into an agreement to make a loan or as interest for U.S. federal income tax purposes. An amount equal to each Expansion Credit Limited Partner’s share of 100% of all such fees paid by portfolio companies that are received by the Adviser or any of its employees, net of any unreimbursed expenses incurred by the Adviser or its affiliates in connection with unconsummated transactions, will be applied to reduce the Expansion Credit Management Fee otherwise payable by such Expansion Credit Limited Partner. All such fees will first be allocated among the Expansion Credit Partners and any other investors on the basis of capital committed by each to the relevant investment. Expansion Credit Management Fee reductions will be carried forward, if necessary.

Morgan Stanley will perform investment, brokerage, asset management and other services for, and will receive customary compensation from, portfolio companies and the Expansion Credit Funds. This compensation may include brokerage fees, syndication fees, arrangement fees, asset management fees and

financing or commitment fees paid by the Expansion Credit Funds, as well as financial advisory fees or fees in connection with restructurings and mergers and acquisitions, underwriting or placement fees, brokerage fees, asset management fees and financing or commitment fees paid by portfolio companies. This compensation will not reduce the Expansion Credit Management Fee and will not be shared with the Expansion Credit Fund or the Expansion Credit Limited Partners.

- **Carried Interest**

The Expansion Credit General Partners will generally be entitled to carried interest with respect to each Expansion Credit Limited Partner equal to 20% of such Expansion Credit Limited Partner's profits from the disposition of each Expansion Credit Fund's 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 net of fees and expenses. Certain other co-investment vehicles, as well as members of the applicable Expansion Credit Limited Partner advisory committee, 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).

The Expansion Credit General Partner will generally be entitled to carried interest with respect to each Expansion Credit Opportunity Fund Limited Partner that participates in the Expansion Credit Opportunity Fund equal to 10% of such Expansion Credit Opportunity Fund Limited Partner's profits from the disposition of each Expansion Credit Opportunity Fund's 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 net of fees and expenses. (See also "Co-Investments" below for additional information on the fees and expenses relating to co-investments).

- **Reimbursement of Certain Expenses**

Each Expansion Credit Fund may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to such Expansion Credit Fund. The payment of such expenses by an Expansion Credit Fund does not represent a source of profit for the Adviser, but rather is a reimbursement of actual costs initially paid by the Adviser (or its affiliates) and subsequently passed through to such Expansion Credit Fund. The most common expenses include (i) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential Expansion Credit Fund investment and the acquisition, management, holding, sale, proposed sale or valuation of any Expansion Credit Fund investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated Expansion Credit Fund investments or unconsummated Expansion Credit Fund investments); and (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 Expansion Credit

Fund's affairs).

- **Placement Agent Fees**

With respect to each Expansion Credit Fund, broker-dealers who are the Adviser's affiliates will, as the case may be, act as placement agents to assist in the placement of such Expansion Credit Fund's interests. Any placement fee payable by an investor will be 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, (or similar disclosure documents). However, the placement agents or distributors may in their sole discretion waive the placement fees payable by an investor, including an investor that is an employee or affiliate of the Expansion Credit General Partner and/or the Adviser.

Certain Limited Partners of each Expansion Credit Fund will be required to make an annual contribution to such Expansion Credit Fund ("Expansion Credit Investor Servicing Amount") ranging from 0.50% to 0.75% of such Limited Partner's capital commitment during the investment period and from 0.50% to 0.75% of such Limited Partner's capital contribution after the investment period. The Expansion Credit Investor Servicing Amount is expected to be payable on or about the dates such Limited Partner is required to make capital contributions to the applicable Expansion Credit Fund with respect to the Expansion Credit Management Fee. The Expansion Credit Investor Servicing Amount will be used to compensate the affiliated placement agent in connection with the sale, distribution, retention and/or ongoing services to Limited Partners in their Expansion Credit Fund.

Certain clients will be subject to the Expansion Credit Opportunity Fund Servicing Amount (the "Expansion Credit Opportunity Fund Servicing Amount") ranging from 0.250% to 0.375% of such client's capital contribution used to fund the capital cost of unrealized portfolio investments of the Expansion Credit Opportunity Fund. The Expansion Credit Opportunity Fund Servicing Amount will be used to compensate the affiliated placement agent in connection with the sale, distribution, retention and/or ongoing services to investors in the Expansion Credit Opportunity Fund.

The confidential offering memoranda for each Expansion Credit Fund include further details on fees and compensation and related matters.

- **Referral Fees**

From time to time, affiliates of the Adviser may refer or introduce a counterparty to the Fund in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from the Fund, not from the counterparty. Such compensation would not be offset or reduce the management fees payable by the Fund and would not otherwise be shared with the Fund unless required by the Governing Documents (as defined below).

Expansion Capital Partnerships, Expansion Credit and Expansion Credit Co-Investment Vehicle

- **Co-Investments**

The terms of a co-investment applicable to one co-investor may be different from the terms applicable to another co-investor, including that certain co-investors may be required to pay a 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 and/ or the respective General Partner for a Fund each may or may not charge management fees, one time funding fees, administration fees and/or carried interest in respect of co-investments, subject to the terms of any applicable agreements with investors. In addition, Morgan Stanley may, in certain circumstances, be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship with Morgan Stanley) priority to co-investment opportunities or to co-invest on more favorable terms than other potential co-investors due to the amount of performance-based compensation or management fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor's relationship with Morgan Stanley. The allocation of any co-investment opportunities may directly or indirectly benefit the Adviser, or a General Partner, 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 hereinafter defined). Unless otherwise required by applicable law, co-investors in one or more specific investments will not necessarily be required to bear their share of broken-deal expenses that are paid by any of the Funds, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to any of the Funds, which has the effect of increasing the portion of such expenses that are allocated to the Funds. 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 management fees under the respective 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 Fund, 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 a particular Fund (the cost of which generally will be borne by such Fund and, indirectly, the Limited Partners of such Fund). In certain circumstances, advisors and other service providers, or their affiliates, 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 any Fund, 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 memoranda (as supplemented from time to time), partnership agreements, investment management or advisory agreements, and other appropriate documentation for each of the Funds (collectively, the “Governing Documents”) include further details on fees and, compensation, expenses, and related matters, which should be reviewed carefully by potential investors in Funds.

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

In some cases, the Adviser has entered into performance-based compensation arrangements with qualified clients and such fees are subject to individualized negotiation with each such client. The Adviser will structure any performance-based compensation arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with one or more of the available exemptions thereunder, including the exemption set forth in Rule 205-3. Performance-based compensation arrangements create an incentive for the Adviser and its personnel to select or recommend certain investments or the timing of exits to maximize or accelerate the receipt of such compensation, and to propose or make more speculative investments on behalf of Funds than it would otherwise propose or make. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts, including in connection with the allocation of investment opportunities among clients. In addition, certain investment vehicles pay different levels of performance fees, which may create differing incentives for the Adviser when allocating investment opportunities. The Adviser has implemented procedures designed to ensure that all clients are treated fairly and equitably, and to prevent this incentive from influencing the allocation of investment opportunities among clients. Specific parameters for allocations are included in the Governing Documents of the Funds to address the conflicts inherent in these differing incentives. See “Allocation of Investment Opportunities” in Item 11 below for additional information on the allocation of investment opportunities.

Please see Item 5 for further information regarding performance-based compensation charged by the Adviser, the Funds’ general partners or their affiliates.

Item 7– Types of Clients

The Adviser provides portfolio management services to pooled investment vehicles. Most of these pooled investment vehicles are not subject to registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), including the Funds. Generally, Fund investors must have invested a minimum of \$250,000. Each General Partner reserves the right to waive these requirements in its discretion. In addition, limited partner interests in each Fund (the “Interests”) were only able to be purchased by certain eligible investors who are (i) “accredited investors” as defined in Regulation D under the Securities Act of 1933, as amended, and (ii) “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act or a “knowledgeable employee” or an entity owned exclusively by “knowledgeable employees” as such term is defined in Rule 3c-5 under the Investment Company Act.

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

Investment Strategies

Expansion Capital Funds

The Expansion Capital Funds' investment objective is 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) in the information technology, consumer / retail, healthcare and media industries that are acquired in privately negotiated transactions, where the Expansion Capital Funds and their affiliates will have a significant positions in equity and securities expected to have equity-like returns. The Expansion Capital Funds may also invest in debt or publicly traded securities, and assets or instruments related to the foregoing. The Expansion Capital Funds expect to invest globally, with efforts focused primarily on investments in the United States, Canada and Western Europe. From time to time the Adviser may cause the Expansion Capital Funds to invest cash held by such Funds in temporary investments or to employ hedging techniques to reduce the risk of adverse interest rate, currency, credit or security movements on investments.

Expansion Credit Funds

The Expansion Credit Funds' investment objective is to achieve current returns and long-term capital appreciation primarily by investing in a diversified portfolio of growth credit investments primarily in North America, which may include senior secured notes, senior subordinated notes, second lien debt, convertible notes, preferred stock, convertible preferred stock and other similar investments, and common equity and warrants related to such growth credit investments (collectively, "Credit Investments"). The Expansion Credit Funds expect to make investments in companies ("Portfolio Companies") primarily in the information technology, consumer, health care and media industries located in the United States, Canada and Western Europe and may invest in companies located in other countries when attractive opportunities arise subject to certain limitations. Portfolio Companies are expected to be later- or expansion-stage growth companies, but may also be early-stage companies and growth carve-outs.

Methods of Analysis

Preliminary Evaluation

The Funds expect the respective management teams of each Fund (each, an "Investment Team") and the Morgan Stanley network of resources to generate late-stage investment opportunities in technology and other high-growth sectors, such as healthcare, digital media and consumer. Each Fund expects to consummate only a small number of these investments a year. As such, the respective Investment Team's initial screening process is critical to efficiently allocating resources.

An initial review of each primary investment opportunity will be carried out by one of the senior members of the respective Investment Team to determine whether such opportunity is consistent with the respective Fund's investment objectives in terms of size geography, governance/control and return potential. If the opportunity fits the respective Fund's investment objectives, the opportunity is staffed with a senior

investment professional leading the evaluation of the attractiveness of the opportunity. The deal team will oftentimes utilize the extensive industry expertise resident in Morgan Stanley's Investment Banking, Information Technology 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 Teams to quickly and effectively assess each such opportunity and is a competitive advantage for the Funds as it maximizes the time that the Investment Teams spend on compelling opportunities.

If the respective deal team determines that the target investment merits further evaluation, it is discussed at the respective Investment Team's weekly meeting. At this meeting, the Investment Teams will discuss the attractiveness of the opportunity and resources and relationships that can be utilized to give the Funds a meaningful competitive advantage relative to other potential investors.

Active Evaluation

If the senior investment professional determines that an opportunity meets the respective Fund's investment objectives and is attractive, the deal team will begin formal due diligence on the opportunity. The due diligence process is conducted with company management to achieve a comprehensive understanding of the company's competitive positioning, as well as the opportunities and risks associated with the proposed investment. Throughout the due diligence process, the respective deal team keeps the senior investment professional apprised of all developments and key findings and the questions/issues raised by the senior investment professional are addressed by the respective deal team through their continuing due diligence. The respective deal team is assisted in its due diligence by a broad network of experts from both within and outside Morgan Stanley, as appropriate. The respective deal team is responsible for all aspects of the investment process including due diligence, structuring and negotiating, and financing. At each critical stage of the process, the approval of the Managing Directors is required prior to the respective deal team proceeding to the next phase of the investment process.

For each investment opportunity, the respective deal team will generally make multiple presentations to the General Partners' respective investment committee (each, an "Investment Committee"). Issues and questions raised by the respective Investment Committee will be addressed by the respective deal team in subsequent due diligence. Formal Investment Committee approval is required before the execution of definitive agreements with respect to any transaction.

Risk Considerations Associated with Investing - In General

All investing involves a risk of total or partial loss, and the investment strategy offered by the Adviser could lose money over short or even long periods. A potential investor should not invest in a Fund or product advised by the Adviser unless the investor is able to withstand a total loss of its investment. 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 their 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.

- **Epidemics and Pandemics.** Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and 2019-nCoV ("COVID-19"). In December 2019, an initial outbreak of COVID-19 was reported in Hubei, China. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. The outbreak of COVID-19 resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Funds and their investments and could meaningfully affect the Funds' ability to fulfill their investment objectives. The extent of the impact of any public health emergency on the Funds' and their operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and

economic markets, all of which are highly uncertain and cannot be predicted. For this reason, valuations in such an environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. In addition to these developments having adverse consequences for certain properties and operating companies in which the Funds may invest and the value of the Funds' investments therein, the Adviser's operations (including those relating to the Funds) could be adversely impacted including through quarantine measures and travel restrictions imposed on the Adviser's personnel or service providers, or any related health issues of such personnel or service providers. There is also a heightened risk of cyber and other security vulnerabilities during a public health emergency, which could result in adverse effects to the Funds or their investments in the form of economic harm, data loss, or other negative outcomes. If one or more of the third parties to whom the Funds or their operating companies outsource certain critical business activities experience operational failures as a result of the impacts from a public health emergency, or claim that they cannot perform due to a force majeure event, it could cause a material adverse effect on the business, financial condition, results of operations, and cash flows of the Funds and their investments. Any of the foregoing events could materially and adversely affect the Funds' ability to source, manage, and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and their ability to fulfill their investment objectives, all of which could result in significant losses to the Funds.

The full impact of a public health emergency, such as the COVID-19 pandemic, on markets, business activity, and the U.S. and global economy, as well as potential changes in U.S. and foreign economic and fiscal policies that may be adopted to address the pandemic, price shocks, and related externalities, may take a significant amount of time to be fully identified or understood. In implementing the Funds' investment strategy, the Adviser will make a number of assumptions, including as to the severity of the consequences of the public health emergency to the U.S. and global economies as well as prospective portfolio entities, and the likelihood of a similar future event and any possible impacts thereof. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of this or any other pandemic on economies and specific portfolio entities, may be detrimental to the Funds and their investments.

In addition, the operations of the Funds, their respective investments and operating companies, and Morgan Stanley may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly key personnel of the Adviser, or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and may continue to be substantial.

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- **Legal and Regulatory Risks.** Section 619 of the Dodd-Frank Act, commonly known as the “Volcker Rule,” and the final implementing regulations thereunder (the “Implementing Regulations”) prohibit, among other things, “banking entities” from sponsoring and investing in “covered funds,” except as permitted pursuant to certain available exemptions. In addition, a “banking entity” may not enter into certain so-called “covered transactions,” as discussed further below, with any “covered fund” (or with any other covered fund controlled by such covered fund) that the banking entity sponsors, organizes and offers or for which the banking entity serves as investment manager, investment advisor or commodity trading advisor. The term “covered fund” includes private equity funds that rely on Sections 3(c)(1) or 3(c)(7) of the Investment Company Act to avoid being treated as “investment companies” under the Investment Company Act. Morgan Stanley is a “banking entity,” and the Funds are “covered funds” for purposes of the Volcker Rule. As the Federal Reserve’s general conformance period for compliance with the Volcker Rule’s restrictions has expired, Morgan Stanley and its affiliates are currently required to comply with 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 Funds, the general partners, the Adviser and the Limited Partners. For example, to sponsor and invest in the Funds, Morgan Stanley relies upon the Implementing Regulations’ so-called “asset management” exemption to the Volcker Rule’s general prohibition on sponsoring and investing in covered funds. Under this exemption, Morgan Stanley may sponsor and acquire or retain an ownership interest in each Fund so long as, among other things, (i) Morgan Stanley provides bona fide trust, fiduciary, or investment advisory services; (ii) each Fund is organized and offered only in connection with the provision of bona fide trust, fiduciary, investment advisory, or commodity trading advisory services and only to persons that are customers of such services of Morgan Stanley; (iii) any investment by Morgan Stanley in each Fund is generally limited to no more than 3% of the ownership interests of each Fund, measured by reference to both the number of ownership interests and the fair market value of such ownership interests (the “per-fund limit”), and Morgan Stanley’s aggregate permitted investments in all covered funds (aggregated with certain affiliate and employee investments) is limited to the maximum amount permitted by the final regulations, which amount cannot generally be more than 3% of the Tier 1 capital of Morgan Stanley (the “aggregate investment limit”); (iv) Morgan Stanley, as investment advisor, does not enter into a transaction that would be subject to Super 23A (as explained below); (v) Morgan Stanley does not, directly or indirectly, guarantee, assume, or otherwise insure the obligations or performance of the Funds or of any covered fund in which the Funds invest; (vi) the Funds do not share with Morgan Stanley the same name or variation of the same name and does not use the word “bank” in its name; (vii) no director or employee of Morgan Stanley takes or retains an ownership interest in any Fund, except for any director or employee of Morgan Stanley who is directly engaged in providing investment advisory or other qualifying services to each Fund at the time the director or employee takes such interest; (viii) a number of disclosures are clearly and conspicuously disclosed to actual and prospective investors in the Funds; and (ix) Morgan Stanley’s sponsorship of, or investment in, each Fund does not involve or result in a material conflict of interest between Morgan Stanley and its clients, customers, or counterparties, result, directly or indirectly, in a material

exposure by Morgan Stanley to a high-risk asset or a high-risk trading strategy, or pose a threat to the safety and soundness of Morgan Stanley or to the financial stability of the United States.

With regard to the aggregate investment limit, a change in the Tier 1 capital of Morgan Stanley may mean that retention of some or all of the ownership interest in the Funds by Morgan Stanley or certain of its affiliates and employees would violate the aggregate investment limit. In addition, the withdrawal or default of an investor in a Fund may cause a violation of the per-fund limit by Morgan Stanley. To the extent that the retention of an interest in any Fund or further investment in any Fund by Morgan Stanley or certain of its affiliates and employees would result in a violation of either the per-fund limit or the aggregate investment limit, then Morgan Stanley and certain of its affiliates and employees may be required to dispose, transfer or otherwise reduce some or all of their interests in any such Fund or may be prohibited, entirely or partially, from making further investments in any such Fund.

With regard to the Volcker Rule's so-called "Super 23A" provision, Morgan Stanley generally is prohibited from entering into "covered transactions," as defined in Section 23A of the U.S. Federal Reserve Act, with or for the benefit of each Fund, other than covered transactions that would be exempt under section 23A of the Federal Reserve Act and meet the criteria specified in Regulation W for such exemption, and limited exceptions, such as certain "riskless principal" transactions, short-term extensions of credit and purchases of assets in the ordinary course of business in connection with payment transactions settlement services, or futures, derivatives, and securities clearing activities. For example, Morgan Stanley is prohibited from providing loans and hedging transactions with extensions of credit or other credit support to the Funds (or to any other covered fund controlled by the Funds), other than certain intraday extensions of credit. Certain other transactions between Morgan Stanley and each of the Funds are subject to the market terms requirements of Section 23B of the Federal Reserve Act.

Morgan Stanley's interest in determining what actions to take in complying with the Volcker Rule may conflict with the interests of the Funds, the general partners, the Adviser and the Limited Partners, all of which may be adversely affected by such actions. In addition, further restrictions and limitations may emerge as additional regulatory guidance and interpretations are provided on the Volcker Rule. To this end, certain aspects of the Volcker Rule remain unclear and susceptible to alternative interpretations. The foregoing is, thus, not an exhaustive discussion of the potential risks the Volcker Rule poses. In addition, the Funds (and Morgan Stanley's relationship with the Funds) may be affected by rules recently issued or issued in the future by U.S. federal banking, securities and commodities regulators pursuant to the Volcker Rule and other provisions of the Dodd-Frank Act.

As a registered investment adviser under the Advisers Act, the Adviser is required to comply with a number of periodic reporting and compliance-related obligations under applicable U.S. and state securities laws. In particular, the SEC recently adopted the "Private Fund Adviser Rules" which, among other things, impose (i) significant disclosure and reporting obligations for registered investment advisers to private funds, as well as (ii) meaningful restrictions on certain activities of

private fund advisers subject to consent-based and/or disclosure-based exceptions. The Adviser's compliance with the Private Fund Adviser Rules, in connection with the investment advisory services it provides to the Funds, is likely to be complex and will entail various legal and compliance costs and expenses, which will be allocated to the Funds. The SEC and other US regulators may adopt additional rules in the future that may have an impact on the client's portfolios.

- **United Kingdom Withdrawal from the European Union.** As part of the process of the United Kingdom (the "UK") leaving the European Union ("EU"), the EU and the UK agreed to an EU-UK Trade and Cooperation Agreement ("TCA") that governs the trading relationship between the UK and the member states of the EU from and after January 1, 2021. Broadly, the TCA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

UK-regulated firms in the financial sector are adversely affected by these arrangements because the TCA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU. Understanding and preparing for these new arrangements may result in increased operational and compliance burdens for the Funds.

It will take some time to observe the many and varied effects on UK and EEA businesses and assets as a consequence of the UK leaving the single market and customs union (taking into account the flow of goods and services in both directions). The known effects of the TCA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the UK continue to emerge and may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements. The withdrawal of the UK from the EU could therefore adversely affect the Funds, the performance of their investments and their ability to fulfil their investment objectives (especially if their investments include, or expose it to, businesses that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials or labor from the single market).

- **Geopolitical Events and Risks.** Economies and financial markets worldwide 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, including in ways that are difficult to predict or foresee. The impacts of these events can be exacerbated by failures

of governments and societies to respond adequately to an emerging event or threat. For example, local or regional armed conflicts have led to significant sanctions against certain countries and persons and companies connected with certain countries by the United States, Europe, and other countries. Such armed conflicts and sanctions and other local or regional developments can exacerbate global supply and pricing issues, particularly those related to oil and gas, and result in other adverse developments and circumstances, as well as increased general uncertainty, for markets, economies, issuers, businesses, and societies globally. For example, in 2023, the global economic and geopolitical environment was generally characterized by persistent inflation, rising interest rates, volatility in global financial markets (leading to, among other things, declines in equity prices), supply chain complications, recessionary fears, and geopolitical uncertainty regarding the war between Russia and Ukraine and armed conflicts occurring in the middle east, and their impact on the global markets, including the energy markets. Although these types of events have occurred and could also occur in the future, it is difficult to predict when similar events or conditions affecting the U.S. or global financial markets and economies may occur, the effects of such events or conditions, potential retaliations in response to sanctions or similar actions and the duration or ultimate impact of those events. Any such events or conditions could have a significant adverse impact on the value and risk profile of the Funds and their investments, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

- **Recent Developments in the Banking Sector.** During 2023, bank closures in the United States caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions – in particular smaller and/or regional banks – experienced volatile stock prices and significant losses in their equity value, and there was concern that depositors at these institutions withdrew, or may withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that closed, during that period there was no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the Funds and/or their portfolio companies) would be made whole or, even if made whole, that such deposits would become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, may be similarly impacted, and it is uncertain what steps (if any) regulators may take in such circumstances. As a consequence, for example, in such circumstances, a Fund and/or its portfolio companies may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations, or pursuing key strategic initiatives, and Limited Partners may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with the Funds, which in turn may result in fewer investment opportunities being made available to the Funds, result in shortfalls or defaults under existing investments, or impact the Funds’ ability to provide additional follow-on support to portfolio companies. In addition, in the event that a financial institution that provides credit facilities and/or other financing to the Funds or their portfolio companies closes or

experiences distress, there can be no assurance that such bank will honor its obligations or that the Fund or such portfolio company will be able to secure replacement financing or capabilities at all or on similar terms. There can be no assurances that the Fund or its portfolio companies will establish banking relationships with multiple financial institutions, and the Fund and its portfolio companies are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by the bank failures of 2023 – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. Such recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Funds, their portfolio companies, or their respective financial performance.

- **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.

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

- potential loss of invested capital;
- reliance on expertise of Morgan Stanley investment professionals;
- highly competitive markets and prevailing regulatory or political climates;
- illiquidity of investments;
- little or no current return on investments prior to their disposition;
- risks associated with the realization and disposition of investments;
- engaged in a competitive business;
- significant degree of financial and/or business risk;

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- lack of diversification;
 - volatility of the global fixed income and equity markets;
 - lack of protection by financial covenants in debt investments;
 - risks associated with debt and credit investments;
 - interest rate fluctuations;
 - leverage at the level of a Fund or at the portfolio company level;
 - adverse political, legal, tax, or regulatory developments and regulation in the U.S. and foreign countries;
 - potential inability to protect the value of minority equity investments;
 - reliance on portfolio company management;
 - exposure to portfolio company and related party claims;
 - potential liabilities related to portfolio company restructurings;
 - use of hedging techniques;
 - limitations on investing due to possession of inside information;
 - changes in general economic conditions and global economic and political events;
 - misconduct of employees and/or third-party service;
 - limitations on transfers and withdrawals;
 - risks arising from provision of managerial assistance;
 - exculpation and indemnification;
 - litigation;
 - catastrophic events, pandemics and other force majeure events, and availability of insurance against certain catastrophic losses; and
- burdensome regulation by one or more governmental entities in specific industries.

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

Item 9 – Disciplinary Information

The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Introduction

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities.

Investors should be aware that potential and actual conflicts of interest between Morgan Stanley or any Affiliated Investment Account (as defined below), on the one hand, and 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 which should be carefully evaluated before making an investment in a Fund. The discussion below, however, does not purport to provide investors with a complete description of all conflicts of interest that could arise in connection with Morgan Stanley's investment advisory services to the Funds. Prospective investors in a Fund should carefully review the Governing Documents for that Fund for a more tailored and detailed description of actual, apparent, and potential conflicts of interest that should be considered in connection with an investment in that Fund. Moreover, 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.

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

To the extent required and/or permitted by law, 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: Morgan Stanley Asia Singapore Pte., Morgan Stanley India Infrastructure GP LP, Morgan Stanley Infrastructure GP LP, Morgan Stanley Infrastructure II GP LP, Morgan Stanley Infrastructure III GP L.P., Morgan Stanley Infrastructure III Investors GP SARL, Morgan Stanley Infrastructure IV GP L.P., Morgan Stanley Infrastructure IV Investors GP S.ar.l., Morgan Stanley Infrastructure Inc., Morgan Stanley Private Equity Asia III, L.L.C., Morgan Stanley Private Equity Asia IV, L.L.C., Morgan Stanley Private Equity Asia IV, Inc., Morgan Stanley Private Equity Asia V GP ONT, L.P., Morgan Stanley Private Equity Asia, L.L.C., Morgan Stanley Real Estate Special Situations III-GP LLC, MS Capital Partners Adviser Inc., MS Capital Partners V GP L.P., MS Capital Partners V LP, MS Capital Partners VI GP LP, MS Capital Partners VII GP LP, MS Capital Partners CV GP LLC, MS Credit Partners II GP Inc., MS Credit Partners II GP L.P., MS Credit

Partners III GP L.P., MS Credit Partners III S.a.r.l., MS Credit Partners IV GP LP, MS Credit Partners IV GP Inc., MS Energy Partners GP LP, MS Expansion Capital GP Inc., MS Expansion Capital GP LP, MS Expansion Equity GP LP, MS Expansion Equity IX GP LP, MS Expansion Credit GP L.P., MS Expansion Credit II GP LP, MS Tactical Value Fund GP LP, MS Tactical Value Fund II GP LP, MS Tactical Value Fund II GP Inc., MS Tactical Value Fund II Co-Invest Excelsior GP LLC, MS Tactical Value Fund II Lux GP S.a.r.l., MS Thai Private Equity GP LLC, MSREF Real Estate Advisor Inc., MSREF VII Global-GP, L.P., MSREF VII Hedging GP Ltd., MSREF VIII Global-F, L.P., MSREF VIII Global-GP, L.P., MSREI IX Global-GP L.P., MSREI X Global-GP, L.P., MS Senior Loan Partners GP L.P., NH Senior Loan Fund GP Ltd., Prime Property Fund Asia GP Pte. Limited, Prime Property Fund Europe GP S.a.r.l., Morgan Stanley Next Level Fund GP, LLC, SSF Hedging III GP, Ltd, 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 Portfolio Companies may use the securities, futures execution, underwriting or other services offered by Morgan Stanley & Co. LLC or its other affiliates. Please see Item 12 for more information about the Adviser's practices concerning the use of a Morgan Stanley affiliate as a broker.

- Other Advisory Affiliates

The Adviser is part of a group of investment advisers within the Morgan Stanley Investment Management business, including Morgan Stanley Investment Management Inc., Morgan Stanley Investment Management Limited, Morgan Stanley AIP GP LP, Morgan Stanley Eaton Vance CLO Manager and Morgan Stanley Eaton Vance CLO CM LLC, Morgan Stanley Real Estate Advisor, Inc., Morgan Stanley Infrastructure, Inc., Morgan Stanley Private Equity Asia, Inc., MSREF Real Estate Advisor, Inc., MSRESS III Manager, L.L.C., Mesa West Capital, LLC, Eaton Vance Management, Eaton Vance WaterOak Advisors, Calvert Research and Management, Parametric Portfolio Associates LLC, Atlanta Capital Management Company LLC, Boston Management and Research, Eaton Vance Advisers International Ltd., and Eaton Vance Trust Company.

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, directors, and other employees with related investment advisers that also manage affiliated private equity funds.

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

- Affiliates Acting as Fundraising Broker-Dealers

Broker-dealers that are affiliates of Morgan Stanley may have acted 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 a Fund may have presented 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 the Fund and 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. 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.

The Adviser and the Funds may use registered representatives and/or employees of its affiliates to conduct solicitation activities in relation to new or incoming Limited Partners to the Funds or to 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 one or more of the Funds to a client that requires equity to complete an acquisition transaction. If the Fund 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.

In addition, Morgan Stanley could provide investment banking services to competitors of companies in which a Fund invests, in which case Morgan Stanley will take appropriate steps to safeguard the confidential information of each investment banking client. Morgan Stanley is under no obligation to share, and may, in fact be prohibited by applicable law, from sharing, information with any of the Funds or with 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 the Adviser's advisory clients hold 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.

- Fees for Services Provided by Affiliates

Morgan Stanley and its current or former affiliates (as well as entities in which Morgan Stanley businesses have an economic interest) perform certain services (including some of the services described herein) for, and receive customary compensation from, the Funds, companies and entities in or through which the Funds invest, or other parties in connection with transactions related to the Funds' investments. Such compensation could include (as applicable in light of investment strategy of the Funds): (i) fees relating to financing, hedging and currency exchange services, real estate and loan servicing management with respect to investments in which no joint venture operating partner participates with a Fund, and fees in connection with any entity used to acquire, hold or dispose of any Fund investments; (ii) fees relating to Fund investments for services related to permissible brokerage, capital markets/credit origination, loan servicing, property, insurance, management consulting and other similar operational matters performed by the Adviser or its affiliates; (iii) fees for advisory services or investment banking services provided to entities (or with respect to assets) in which a Fund, directly or indirectly, has an interest; and (iv) fees for other services for a Fund or any entity used to acquire, hold or dispose of any Fund investments. Such fees do not offset or reduce the management fees payable by the Fund and are not otherwise shared with the relevant Fund or its investors, and may not be the result of arm's-length negotiations, unless otherwise required by the Fund's Governing Documents. However, the fees will be on an arm's length basis and/or at competitive rates to the extent so required by the relevant Fund's Governing Documents. In general, the Adviser will have an incentive to recommend the use of affiliated service providers by a Fund or a portfolio company or entity thereof.

- Morgan Stanley's Long-Term Relationships

Morgan Stanley has long-term relationships with a significant number of institutions and corporations and their advisors, certain Limited Partners of the Funds, counterparties in agreements, transactions, and other arrangements with the Funds, and their portfolio companies or entities (or affiliates thereof) (including joint venture partners and operating partners), and service providers to the Funds, and their portfolio companies or entities, or enter into an (or renew or otherwise continue an existing) arrangement with a service provider, or companies or entities in or through which the Funds invest, it can be expected that some of these potential transactions or arrangements or entered into (or, in the case of arrangements, will or will not be continued) on behalf of the Funds, or companies or entities in or through which the Funds invest. Moreover, in circumstances where the Adviser is negotiating an agreement, transaction, or other arrangement between the Funds or a portfolio company or entity thereof, and a party with which Morgan Stanley has such a long-term relationship,

it can be expected that the Adviser will, in some cases, take the relationship into account in connection with the negotiation process.

- Other Investment Vehicles or Funds; Performance-Based Compensation

The Adviser and/or certain related persons have and may continue to organize partnerships (or other investment vehicles), serve as the manager, general partner, or the managing member or general partner of the general partner, to these partnerships (or other investment vehicles), and solicit investors to become limited partners in these partnerships (or other investment vehicles).

A general partner's performance-based compensation, earned by such general partner or an affiliate in respect of an advisory client, creates an incentive for such general partner to make more speculative investments for such client than it would otherwise make in the absence of such performance-based compensation. Furthermore, investments made with third parties in joint ventures or other entities may involve performance-based compensation payable to such third-party partners, which could also create an incentive for such parties to take risks with respect to such investments. In addition, the method of calculating the performance-based compensation in certain cases results in conflicts of interest between an advisory client's general partner, on the one hand, and the investors in the client, on the other hand, with respect to the management and disposition of investments. For example, each advisory client's general partner will value any securities being distributed in-kind to investors in order to calculate the performance-based compensation and, in doing so, will have an incentive to make valuation determinations that maximize or accelerate its receipt of performance-based compensation. If the valuations conducted by an advisory client's general partner are incorrect, the amount and timing of payment of performance-based compensation 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"). Some Affiliated Investment Accounts have, and others may in the future have, active investment programs that are substantially similar to, or that otherwise overlap with, those of the Adviser's advisory clients. Morgan Stanley may also from time to time create new or successor Affiliated Investment Accounts that may compete with the Adviser's clients and may present similar conflicts of interest. Certain members of the Adviser's Investment Team and each Investment Committee (as applicable) may make investment decisions on behalf of both the Adviser's advisory clients and such Affiliated Investment Accounts, including Affiliated Investment Accounts with investment objectives that overlap with those of the Adviser's advisory clients. In addition, certain Affiliated Investment Accounts may make investments similar to those that may be made by the Adviser's advisory clients even if those Affiliated Investment Accounts are not solely focused (or even primarily focused) on such investments.

Related persons of the Adviser (including Morgan Stanley's trading and principal investing businesses) will generally have no obligation to offer to the Adviser's advisory clients investment opportunities that are excluded from any otherwise existing contractual obligation. In such situations, a related person of the Adviser

may pursue and make the investment for its own account. When deciding how to allocate such opportunities, those related persons will exercise their discretion and can be expected to consider their own financial interests or the interests of other clients or affiliates of Morgan Stanley ahead of those of the Funds.

The Adviser will, from time to time, recommend that a Fund pursue an investment opportunity in which Morgan Stanley, members of its personnel (or immediate family members thereof), one or more other Funds, and/or one or more Affiliated Investment Accounts have pre-existing ownership interests or other financial interests. In some cases, a Fund will hold an investment in the same portfolio company or entity as one or more other Funds, Morgan Stanley, and/or one or more Affiliated Investment Accounts, in either the same or a different tier of the portfolio company's or entity's capital structure or in an affiliate of such portfolio company or entity. To the extent the parties hold different positions in the same portfolio company's or entity's capital structure (e.g., equity securities vs. debt securities; common shares vs. preferred shares; senior debt vs. subordinated debt), or in two different entities that are affiliated with each other, the Adviser and Morgan Stanley can be expected to be presented with decisions in which the Fund's interests are in conflict with those of other Funds, Morgan Stanley, and/or one or more Affiliated Investment Accounts (as applicable). In that regard, actions could be taken for a Fund, Morgan Stanley or such Affiliated Investment Account that are adverse to another Fund, or actions may or may not be taken by a Fund due to another Fund's, or Morgan Stanley's or such Affiliated Investment Account's, investment, which action or failure to act could be adverse to the Fund for which the action was or was not taken. See also "Allocation of Co-Investment Opportunities" in Item 11 below for additional information on the allocation of co-investment opportunities.

- Morgan Stanley's Investment Management Activities

Morgan Stanley conducts a variety of investment management activities, including sponsoring investment funds registered or regulated under the Investment Company Act subject to its rules and regulations. Such activities also include managing assets of pension funds that are subject to federal pension law and its regulations. Conflicts could arise in circumstances where a Fund or its portfolio company or entity pursues an investment in, purchases an investment from, enters into a business relationship with, or otherwise transacts with, Morgan Stanley's other investment advisory clients or investment companies or a company in which such parties have previously invested or are looking to invest.

- Conflicts With Portfolio Companies

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in a portfolio company that is or becomes a competitor of a portfolio company of a Fund, or that is a service provider, supplier, customer or other counterparty with respect to a portfolio company of the Fund. Such investment could create a conflict between the Fund, on the one hand, and Morgan Stanley and/or the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the portfolio company. Portfolio companies of a Fund, and of Morgan Stanley and/or the Affiliated Investment Accounts may be counterparties in agreements, transactions, and other arrangements with a Fund, Affiliated Investment Accounts, other portfolio companies of the foregoing, and Morgan Stanley (including its affiliates), for the provision of goods and services, purchase and sale of assets, loan transactions, capital markets transactions, and other matters. Fees paid by a Fund or its portfolio

company pursuant to these agreements, transactions, and other arrangements, do not offset or reduce the management fees payable by the Fund and are not otherwise shared with the Fund or its investors unless otherwise required by the Governing Documents.

In addition, circumstances could arise where an advisory client of the Adviser competes over investment opportunities with a joint venture, platform company, or other portfolio company or entity in which another client of the Adviser or an Affiliated Investment Account has invested. In such circumstances, personnel of the Adviser could serve as directors of such portfolio companies or entities, in which case they could be required by applicable law to present investment opportunities to the portfolio company or entity, instead of to the advisory client. See also “Management Persons” below for additional information about legal obligations that apply to Morgan Stanley personnel who serve as directors of portfolio companies.

- Portfolio Entity Service Providers

The Funds and their portfolio companies or entities could engage portfolio companies or entities of the Funds and of Affiliated Investment Accounts (“Portfolio Entity Service Providers”) to provide certain services with respect to one or more of the Fund’s actual or potential investments, which could include: (a) management services with respect to a property; (b) operational services with respect to a property; (c) transaction support services with respect to actual or potential investments; (d) corporate support services; and (e) loan servicing and management. Similarly, Affiliated Investment Accounts and their portfolio companies or entities may engage Portfolio Entity Service Providers of the Funds to provide some or all of these services. Some of the services performed by a Portfolio Entity Service Provider could also be performed by Morgan Stanley from time to time and vice versa. Fees paid by a Fund or its portfolio companies or entities to Portfolio Entity Service Providers do not offset or reduce the management fees payable by the Fund, and are not otherwise shared with the Fund or its investors unless otherwise required by the Governing Documents.

- 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 an advisory 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 by the Adviser to or action by the Adviser taken for advisory clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for, one or more advisory clients.

Morgan Stanley, through its affiliates, invests in many of its private 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 which is tied to the investment performance of such private 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, such private funds (resulting from performance-based compensation). 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 funds.

As a result of, and taking into account, such hedging, the performance of investors in such private-funds who do not engage in hedging on their own may differ materially from the performance of 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 limited partners.

- Management Persons

Certain members of the Adviser's Investment Team, subject to applicable key person obligations in the Governing Documents work on matters and projects for Morgan Stanley (including for the Affiliated Investment Accounts) that are unrelated to the Funds, and conflicts of interest arise in allocating management time, services, or functions among such affiliates. The involvement of these Investment Team members in such Morgan Stanley matters and projects diverts their time and attention away from the activities of the Funds, which could negatively impact the Funds and their investors. Furthermore, Morgan Stanley and its personnel derive financial benefit from these other activities, including fees and performance-based compensation. Although Morgan Stanley will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds.

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 of the Funds. 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 interests between such person's duties as an officer or employee of the Adviser and such person's duties as a director of the portfolio company. There can be no assurance that any such investment or transaction that is suitable for an advisory client will necessarily be allocated to that client.

Certain of the Adviser's management persons may also hold positions with the affiliates listed above. In these positions, those management persons of the Adviser may have some responsibility with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of other affiliates. 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 of the Funds 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.

- Intangible and/or Other Benefits, Discounts and/or Perquisites

Morgan Stanley and its personnel have received, and can be expected to continue receiving, certain intangible and/or other benefits, discounts and/or perquisites arising or resulting from their activities on behalf of a Fund, which will not be shared with the Fund, its investors and/or its portfolio companies or entities.

- Senior Advisors and Advisory Partners

Morgan Stanley may engage and retain consultants or advisory partners (collectively, “Consultants”) who are not employees or affiliates of Morgan Stanley. Services performed by Consultants could include providing the Adviser with industry-specific insights and feedback on investment themes, assisting in transaction due diligence, making introductions to and providing reference checks on management teams and could, in some cases, involve the Consultants taking on more extensive roles and contributing to the origination of new investment opportunities. In some instances, portfolio companies or entities retain and bear the fees of Consultants for their services, or operating executives may serve on the portfolio company’s or entity’s board of directors. Any such directors’ fees or other remuneration received by Consultants may be retained by such persons. Certain such Consultants, including Consultants that serve as operating partners, will not be treated as affiliates of the Adviser or the relevant Fund’s general partner for purposes of the Fund’s Governing Documents and, accordingly, no such payments to these Consultants will be offset against any Fund management fees or performance-based compensation payable to the Adviser or a Fund’s general partner, nor will such payments otherwise benefit a Fund or its investors.

- Valuation of Assets

The Adviser or the respective Fund’s general partner will determine the fair value of all investments in accordance with the respective Governing Documents. Under certain circumstances, the valuation of investments will affect the amount and timing of management fee payments to the Adviser, as well as the amount and timing of a Fund’s general partner’s performance-based compensation, as applicable. In particular, a reduction in the fair value of an investment will not necessarily result in a reduction of invested capital (as defined in the Governing Documents) attributable to such investment, including for purposes of calculating management fees or performance-based compensation, as applicable, as such a reduction will ordinarily only occur when the Adviser or general partner, in its sole discretion, determines that the investment has become “worthless” under the Internal Revenue Code, the subject of a permanent write-off and/or permanently impaired (as applicable). The determination of whether and when an investment has become worthless, is subject to a permanent write-off and/or permanently impaired (as applicable) will involve subjective judgments on the part of the Adviser or general partner, as applicable. Therefore, the Adviser or general partner has an incentive to, for instance, refrain from or delay in determining that an investment is worthless or otherwise subject to a permanent write-off, and to select and/or apply valuation methodologies in a manner that maximizes the amount of fees and compensation the general partner and/or Adviser receive. As a result, the valuation of investments involves conflicts that will not necessarily be resolved in favor of the Funds.

- Subscription Facility

A Fund’s use of a subscription facility presents conflicts of interest as a result of certain factors, including that a Fund’s use of a subscription facility with respect to a portfolio investment or to meet the Fund’s ongoing capital needs, including in relation to the payment of management fees and expenses, could reduce or eliminate the preferred return received by the Fund’s Limited Partners and accelerate or increase distributions

of performance-based compensation to the respective Fund's general partner. In addition, using a subscription facility to fund investments will typically have the effect of increasing the internal rates of return for the Fund, the presentation of which could affect the Adviser's or Morgan Stanley's marketing efforts with respect to future funds.

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) thereof and/or the relevant Governing Documents,

The Governing Documents of each Fund are detailed agreements that establish complex arrangements among the Adviser, its affiliates, the Fund and its investors. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated and are not specifically addressed or could have been articulated more precisely at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and could permit more than one reasonable interpretation, including in circumstances where one reasonable interpretation is most favorable to the Adviser and/or its affiliates while another reasonable interpretation is most favorable to the Fund, and where the Adviser therefore has an incentive to prefer the former interpretation over the latter one. While the Adviser will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations the Adviser adopts will not necessarily be, and need not be, the interpretations that are the most favorable to a Fund or its investors and could be the interpretations that are most favorable to the Adviser and/or its affiliates.

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 in providing investment advice to its advisory clients or their applicable general partners, and who have access to non-public information regarding the purchase or sale of securities, make securities recommendations to its advisory clients or their applicable general partners, or 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

Prior to subscribing for interests in a Fund, investors receive information relating to potential conflicts of interest between the activities of the Fund and the business activities of the Adviser, and its affiliates, or clients that may have a financial interest in the securities in which the Fund invest.

On rare occasions, an advisory client of the Adviser may sell a security or asset which another advisory client (of either the Adviser or an affiliate thereof), or an affiliate of the Adviser, wants to own, or vice versa. Any such cross transactions between clients can be expected to raise potential conflicts of interest, including with respect to transaction pricing. On these occasions, after extensive Firm and legal and compliance review and documentation, a sale of the security or asset from one advisory client to another may be permitted, subject to compliance with the relevant clients' Governing Documents and applicable law.

The Adviser may purchase and sell public and private investments and co-invest the assets of its advisory clients alongside other advisory clients and accounts managed by the Adviser or its affiliates, in compliance with the requirements and conditions of rules, regulations, orders, or interpretations of the SEC, or no-action letters of the SEC Staff, and in accordance with the fund and client account governing documents.

Allocation of Investment Opportunities

Potential conflicts of interest can be expected to arise in the context of allocating investment opportunities among the different Funds and Affiliated Investment Accounts. This is in part due to different advisory clients being subject to different compensation terms and arrangements with the Adviser and/or Morgan Stanley.

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

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- 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

The Adviser is empowered to take into account other considerations it deems appropriate to ensure a fair and equitable allocation of opportunities. The Allocation Policy is subject to change in the sole discretion of the Adviser.

Allocation of Co-Investment Opportunities

General Partners 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 Fund’s Governing Documents. 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 Governing Documents. 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 its 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 applicable 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 assurances 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. Additionally, the allocation of co-investment opportunities may involve a direct or indirect benefit to Morgan Stanley as a result of, among other things, the receipt of fees or performance-based compensation from the co-investment opportunity, which will be calculated independently from the fees and performance-based compensation in respect of the capital commitments to the Fund and capital commitments to other Affiliated Investment Accounts.

Investing in any of the 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 a 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 any 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.

The appropriate allocation of fees and expenses generated in connection with potential investments that are not consummated with an investment of a Fund's assets, including without limitation out-of-pocket fees associated with attorney fees and the fees of other professionals ("Broken Deal Expenses"), will be determined by the Adviser or the respective Fund's general partner in its good faith discretion. Co-investors who commit to participate in a transaction will undertake an obligation to bear their pro rata share of Broken Deal Expenses in the event such transaction is not consummated. However, until such time as a co-investor or a strategic investor makes such commitment related to one or more specific investments, such investors will generally not 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 the Fund. Thus, where permitted by applicable law, a Fund will generally bear all of such Broken Deal Expenses.

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.

To the extent permitted by the applicable regulatory authorities, Morgan Stanley will be authorized to engage in transactions in which it acts as a broker for a Fund and for another person on the other side of the transaction. The Adviser may, in its discretion, subject to its determination in its discretion that such transactions are on arm's-length terms, and subject to applicable law (including the Volcker Rule), choose to execute trades or enter into derivative or hedging transactions for portfolio entities with Morgan Stanley, with Morgan Stanley acting as agent and charging a commission or acting as principal and retaining all profits it may realize as a result of such transactions. If Morgan Stanley acts as agent in such a situation, Morgan Stanley may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions.

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

The Adviser provides quarterly unaudited reports and annual audited reports to the Limited Partners of each Fund managed by the Adviser, which include, among other things, financial statements and descriptions of the investments of each Fund. In certain cases, the Adviser may provide additional or different information to different Limited Partners. Other than as required by agreement with a Limited Partner or by applicable law, the Adviser is not obligated to offer similar information to any investor by virtue of providing that information to other Limited Partners.

Item 14 – Client Referrals

The Adviser may from time to time compensate 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 each Fund's cash and securities by virtue of its relationship with the General Partner of each Fund. Each Limited Partner of a Fund will receive the relevant Fund's audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of such Fund's fiscal year.

Item 16 – Investment Discretion

As the manager of each Fund, the Adviser will have discretion to recommend to the respective General Partner, without consent of each Fund's investors, 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 such Fund in cases where a broker or dealer is used. The Adviser will provide investment advice to each Fund, subject to certain investment limitations regarding diversification and type of permitted investments as set forth in the applicable Partnership Agreement. 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 the Adviser's advisory contract with the relevant Fund and/or under the terms of the partnership agreement of the Fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the relevant Fund. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the relevant Fund.

Item 17 – Voting Client Securities

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

In many situations, a client is a party to a stockholder or a similar agreement. These agreements are entered into in the best interests of the clients, and may require the 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 will become or are public. As a result, the Adviser will generally cast proxy votes on behalf of the clients with respect to a limited number of public Portfolio Companies.

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

The Adviser may be subject to conflicts of interest in the voting of proxies. A potential conflict of interest may occur where the Adviser or any of its affiliates or their respective employees has a direct or indirect economic stake in the outcome of a proxy vote that is different from a client’s stake. When such a potential conflict arises between 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.