

Part 2A of Form ADV: Firm Brochure

MS Capital Partners Adviser Inc.

as Adviser to

North Haven Credit Partners II L.P.

North Haven Credit Partners III L.P.

North Haven Credit Partners IV L.P.

North Haven Senior Loan Fund L.P.

&

Certain Separately Managed Accounts

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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 Credit Partners II L.P., North Haven Credit Partners III L.P., North Haven Credit Partners IV L.P., North Haven Senior Loan Fund L.P., and certain separate accounts. 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 you may find useful in deciding to hire or retain an adviser (or invest in a fund or product advised by the adviser).

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

Item 2 – Material Changes

We provide this brochure to our clients as well as limited partners of the following pooled investment vehicles that we advise: (i) North Haven Credit Partners II L.P.; (ii) North Haven Credit Partners III L.P.; (iii) North Haven Credit Partners IV L.P., and (iv) North Haven Senior Loan Fund L.P. and their respective related funds and vehicles (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.

The Adviser 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 email 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 of 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) and certain Separately Managed Accounts (defined below), whose investment strategies are described below.

North Haven Credit Partners

MS Credit Partners II GP L.P. (the “MS Credit Fund II GP”), MS Credit Partners III GP L.P. (the “MS Credit Fund III GP”) and MS Credit Partners IV GP L.P. (the “MS Credit Fund IV GP” and together with MS Credit Fund II GP and MS Credit Fund III GP, the “NH Credit General Partners”), each affiliates of the Adviser and each a Delaware limited partnership, are the respective general partners of North Haven Credit Partners II L.P. (the “NH Credit Fund II”), North Haven Credit Partners III L.P. (the “NH Credit Fund III”) and North Haven Credit Partners IV L.P. (the “NH Credit Fund IV”). The NH Credit Fund II, NH Credit Fund III and NH Credit Fund IV shall, together with other related parallel, co-investment vehicles (that is, vehicles that are formed to invest alongside the NH Credit Fund II, the NH Credit Fund III and NH Credit Fund IV in specific portfolio investments) and feeder vehicles, are collectively referred to herein as the “NH Credit Partners Funds”. The terms of the NH Credit Partners Funds set forth herein are summary descriptions only and are qualified in their entirety by the offering and governing documents of each of the NH Credit Partners Funds.

The NH Credit Partners Funds’ investment objective is to seek to invest in debt instruments issued by corporate issuers in the context of debt refinancings, capital structure restructurings, traditional mezzanine issuances, debtor-in-possession financings and similar and related investments (collectively, the “Primary Market Investments”). The NH Credit Partners Funds also have the flexibility to invest in a limited amount of senior secured leveraged loans, high yield bonds and similar instruments acquired in the secondary markets (collectively, the “Secondary Market Investments”). The NH Credit Partners Funds intend to invest in entities globally with a primary focus on North America and Western Europe.

North Haven Senior Loan Clients

MS Senior Loan Partners GP L.P. (the “Senior Loan General Partner”), an affiliate of the Adviser and a Delaware limited partnership, is the general partner of North Haven Senior Loan Fund L.P., a Delaware limited partnership (and together with certain related vehicles, collectively, the “Senior Loan Fund”). The terms of the Senior Loan Fund set forth herein are summary descriptions only and are qualified in their entirety by the offering and governing documents of the Senior Loan Fund.

The Adviser has been appointed the investment manager to North Haven Senior Loan Fund (Alma) DAC and North Haven Senior Loan Fund (Alma) II DAC, designated activity companies with limited liability duly incorporated under the laws of Ireland (the “Separately Managed Accounts”). The Separately Managed Accounts pursue an investment strategy that is similar to the Senior Loan Fund and generally invest along-

side the Senior Loan Fund. Together, the Senior Loan Fund and Separately Managed Accounts comprise the “Senior Loan Clients”.

The Senior Loan Client’s primary investment objective is to achieve current income and to a lesser degree long-term capital appreciation by investing in corporate credit markets. The Senior Loan Clients will primarily seek to invest in privately negotiated, senior secured term loans made to lower middle market companies located in the U.S. and Canada (“Direct Loans”). The Senior Loan Clients may also invest in broadly-syndicated senior secured term loans in the secondary market (together with Direct Loans, “Credit Investments”) when such opportunities are available as well as junior debt instruments, such as second lien term loans or unsecured mezzanine notes.

The NH Credit General Partners and the Senior Loan General Partner are collectively referred to as the “General Partners”.

The NH Credit Partners Funds and the Senior Loan Fund are collectively referred to herein as the “Funds”, and the “Funds” and “Separately Managed Accounts” are collectively referred to herein as the “Clients”.

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, or offer any similar arrangements to, any other client or investor, except as agreed with each such person or as required by applicable law.

NH Credit Fund II

- **Management Fees**

The Adviser will generally receive an annual management fee from NH Credit Fund II (the “NH Credit Fund II Management Fee,”) equal to (i) during the investment period, 0.80% of the capital commitment of the Limited Partners of NH Credit Fund II (the “NH Credit Fund II Limited Partners”); and (ii) after the investment period, 1.0% of invested capital. The NH Credit Fund II Management Fee may be subject to reduction as provided in the paragraph below. The NH Credit Fund II Management Fee is funded by the NH Credit Fund II Limited Partners and is payable quarterly in advance. Upon termination of the management agreement between the Adviser and NH Credit Fund II, the Adviser shall repay to NH Credit Fund II or to a replacement manager, as directed by the NH Credit Fund II GP, the unearned portion (computed on the basis of the number of days elapsed), if any, of the NH Credit Fund II Management Fee previously paid to the Adviser. Certain Morgan Stanley employees as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, may pay no or a significantly reduced NH Credit Fund II Management Fee (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

The Adviser and its professionals may charge portfolio companies transaction fees, sponsor fees, monitoring fees, advisory fees, directors’ fees, commitment fees, closing fees, amendment fees, break-up fees and other similar fees. An amount equal to 100% of NH Credit Fund II’s allocable portion of all such fees (other than fees received in respect of certain investment banking, advisory and other customary activities and services provided by Morgan Stanley in its role as an investment banking and brokerage firm) paid by portfolio companies to the Adviser, the NH Credit Fund II GP or any of the investment professionals dedicated to NH Credit Fund II (as described in the confidential offering memorandum of NH Credit Fund II), net of any unreimbursed related expenses incurred by the Adviser, NH Credit Fund II GP or its affiliates or representatives will generally be applied to reduce the NH Credit Fund II Management Fees otherwise payable to the Adviser by the NH Credit Fund II Limited Partners.

Fees may be deducted from NH Credit Fund II’s assets as and to the extent set forth in the limited partnership agreements of NH Credit Fund II.

- **Carried Interest**

The NH Credit Fund II GP will be generally entitled to carried interest with respect to each NH Credit Fund II Limited Partner equal to 20% of such NH Credit Fund II Limited Partner’s profits from each NH Credit Fund II investment, subject to satisfaction of an 8% internal rate of return, compounded annually, on the invested and unreturned capital of such investment (in the case of dividends, interest and other current income for such investment) and previously realized investments (in the case of investment disposition proceeds).

Such carried interest is earned on an investment-by-investment basis and is not payable until current income

is received or disposition proceeds are realized from an investment. Certain of the employee as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, are subject to no or a significantly reduced carried interest (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

- **Expenses**

NH Credit Fund II may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to NH Credit Fund II. The payment of such expenses by NH Credit Fund II 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 NH Credit Fund II. The most common expenses include (i) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential NH Credit Fund II investment and the acquisition, management, holding, sale, proposed sale or valuation of any NH Credit Fund II investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated NH Credit Fund II investments or unconsummated NH Credit Fund II 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 NH Credit Fund II's affairs). Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

- **Placement Agent Fees**

With respect to NH Credit Fund II, broker-dealers who are affiliates of the Adviser have acted as placement agents to assist in the placement of NH Credit Fund II's interests. Any placement fee not payable by the Adviser was in addition to an investor's capital commitment. The amount of any placement fee is described in the placement agent's point of sale letter (or similar disclosure documents). However, the placement agents or distributors may have, in their sole discretion, waived the placement fees paid by an investor, including an investor that is an employee or affiliate of the NH Credit Fund II GP and/or the Adviser.

- **Referral Fees**

From time to time, affiliates of the Adviser may refer or introduce a counterparty to the NH Credit Fund II in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from the NH Credit Fund II, 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).

NH Credit Fund III

- **Management Fees**

The Adviser will generally receive an annual management fee from NH Credit Fund III (the "NH Credit Fund III Management Fee,") equal to 1.50% on total invested capital. The NH Credit Fund III Management Fee

may be subject to reduction as provided in the paragraph below. The NH Credit Fund III Management Fee is funded by the NH Credit Fund III Limited Partners and is payable quarterly in arrears. Upon termination of the management agreement between the Adviser and NH Credit Fund III, the Adviser shall repay to NH Credit Fund III or to a replacement manager, as directed by the NH Credit Fund III GP, the unearned portion (computed on the basis of the number of days elapsed), if any, of the NH Credit Fund III Management Fee previously paid to the Adviser. Certain of the employee and other co-investment vehicles, as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, may pay no or a significantly reduced NH Credit Fund III Management Fee (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

The Adviser and its professionals may charge portfolio companies transaction fees, sponsor fees, monitoring fees, advisory fees, directors' fees, commitment fees, closing fees, amendment fees, break-up fees and other similar fees. An amount equal to 100% of NH Credit Fund III's allocable portion of all such fees (other than fees received in respect of certain investment banking, advisory and other customary activities and services provided by Morgan Stanley in its role as an investment banking and brokerage firm) paid by portfolio companies to the Adviser, the NH Credit Fund III GP or any of the investment professionals dedicated to NH Credit Fund III (as described in the confidential offering memorandum of NH Credit Fund III), net of any unreimbursed related expenses incurred by the Adviser, NH Credit Fund III GP or its affiliates or representatives will generally be applied to reduce the NH Credit Fund III Management Fees otherwise payable to the Adviser by the NH Credit Fund III Limited Partners.

Fees may be deducted from NH Credit Fund III's assets as and to the extent set forth in the limited partnership agreements of NH Credit Fund III.

- **Carried Interest**

The NH Credit Fund III GP will be generally entitled to carried interest with respect to each NH Credit Fund III Limited Partner equal to 20% of such NH Credit Fund III Limited Partner's profits from each NH Credit Fund III investment, subject to satisfaction of an 8% internal rate of return, compounded annually, on the invested and unreturned capital of such investment (in the case of dividends, interest and other current income for such investment) and previously realized investments (in the case of investment disposition proceeds).

Such carried interest is earned on an investment-by-investment basis and is not payable until current income is received or disposition proceeds are realized from an investment. Certain of the employee and other co-investment vehicles, as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, are subject to no or a significantly reduced carried interest (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

- **Expenses**

NH Credit Fund III may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to NH Credit Fund III. The payment of such expenses by NH Credit Fund III 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 NH Credit Fund III. The most common expenses include (i) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential NH Credit Fund III investment and the acquisition, management, holding, sale,

proposed sale or valuation of any NH Credit Fund III investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated NH Credit Fund III investments or unconsummated NH Credit Fund III 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 NH Credit Fund III's affairs). Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

- **Placement Agent Fees**

With respect to NH Credit Fund III, broker-dealers who are affiliates of the Adviser have acted as placement agents to assist in the placement of NH Credit Fund III's interests. Any placement fee not payable by the Adviser was in addition to an investor's capital commitment. The amount of any placement fee is described in the placement agent's point of sale letter (or similar disclosure documents). However, the placement agents or distributors may have, in their sole discretion, waived the placement fees paid by an investor, including an investor that is an employee or affiliate of the NH Credit Fund III GP and/or the Adviser.

- **Referral Fees**

From time to time, affiliates of the Adviser may refer or introduce a counterparty to the NH Credit Fund III in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from the NH Credit Fund III, 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).

NH Credit Fund IV

- **Management Fees**

The Adviser will generally receive an annual management fee from NH Credit Fund IV (the "NH Credit Fund IV Management Fee,") equal to (a) 1.50% on total invested capital for Limited Partners who commit less than \$50,000,000; (b) 1.25% on total invested capital for Limited Partners whose total commitment to the NH Credit Fund IV is at least \$50,000,000 but less than \$100,000,000; or (c) 1.00% on total invested capital for Limited Partners whose capital commitment to NH Credit Fund IV is equal to or more than \$100,000,000.

The NH Credit Fund IV Management Fee may be subject to reduction as provided in the paragraph below. The NH Credit Fund IV Management Fee is funded by the NH Credit Fund IV Limited Partners and is payable quarterly in arrears. Certain of the employees as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, may pay no or a significantly reduced NH Credit Fund IV Management Fee (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

The Adviser and its professionals may charge portfolio companies transaction fees, sponsor fees, monitoring

fees, advisory fees, directors' fees, commitment fees, closing fees, amendment fees, break-up fees and other similar fees. An amount equal to 100% of NH Credit Fund IV's allocable portion of all such fees (other than fees received in respect of certain investment banking, advisory and other customary activities and services provided by Morgan Stanley in its role as an investment banking and brokerage firm) paid by portfolio companies to the Adviser, the NH Credit Fund IV GP or any of the investment professionals dedicated to NH Credit Fund IV (as described in the confidential offering memorandum of NH Credit Fund IV), net of any unreimbursed related expenses incurred by the Adviser, NH Credit Fund IV GP or its affiliates or representatives will generally be applied to reduce the NH Credit Fund IV Management Fees otherwise payable to the Adviser by the NH Credit Fund IV Limited Partners.

Fees may be deducted from NH Credit Fund IV's assets as and to the extent set forth in the limited partnership agreements of NH Credit Fund IV.

- **Carried Interest**

The NH Credit Fund IV GP will be generally entitled to carried interest with respect to each NH Credit Fund IV Limited Partner equal to (a) 20% of such NH Credit Fund IV Limited Partner's profits from each NH Credit Fund IV investment where such Limited Partner's total committed capital is less than \$100,000,000; (b) 15% of such NH Credit Fund IV Limited Partner's profits from each NH Credit Fund IV investment where such Limited Partner's total committed capital is equal to or greater than \$100,000,000 but less than \$150,000,000; or (c) 12.5% of such NH Credit Fund IV Limited Partner's profits from each NH Credit Fund IV investment where such Limited Partner's total committed capital is equal to or greater than \$150,000,000 compounded annually, on the invested and unreturned capital of such investment (in the case of dividends, interest and other current income for such investment) and previously realized investments (in the case of investment disposition proceeds).

Such carried interest is earned on an investment-by-investment basis subject to satisfaction of an 8% internal rate of return, compounded annually, on the invested and unreturned capital of such investment (in the case of dividends, interest and other current income for such investment) and previously realized investments (in the case of investment disposition proceeds) and is not payable until current income is received or disposition proceeds are realized from an investment. Certain of the employee and other co-investment vehicles, as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, are subject to no or a significantly reduced carried interest (see also Co-Investments below for additional information on the fees and expenses relating to co-investments).

- **Expenses**

NH Credit Fund IV may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to NH Credit Fund IV. The payment of such expenses by NH Credit Fund IV 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 NH Credit Fund IV. The most common expenses include (i) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential NH Credit Fund IV investment and the acquisition, management, holding, sale, proposed sale or valuation of any NH Credit Fund IV investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing

or managing consummated NH Credit Fund IV investments or unconsummated NH Credit Fund IV 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 NH Credit Fund IV's affairs). Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

- **Placement Agent Fees**

With respect to NH Credit Fund IV, broker-dealers who are affiliates of the Adviser will act as placement agents to assist in the placement of NH Credit Fund IV's interests. Any placement fee not payable by the Adviser will be in addition to an investor's capital commitment. The amount of any placement fee is described in the placement agent's point of sale letter (or similar disclosure documents). However, the placement agents or distributors may, in their sole discretion, waived the placement fees paid by an investor, including an investor that is an employee or affiliate of the NH Credit Fund IV GP and/or the Adviser.

- **Referral Fees**

From time to time, affiliates of the Adviser may refer or introduce a counterparty to the NH Credit Fund IV in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from the NH Credit Fund IV, 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).

Senior Loan Clients

- **Management Fees**

The Adviser will receive an annual management fee (the "Senior Loan Management Fee") that ranges from .75% to 1.25% on invested capital (including leverage). The Senior Loan Management Fee is subject to reduction as provided in the paragraph below. The Senior Loan Management Fee is funded by the limited partners of the Senior Loan Fund (the "Senior Loan Limited Partners") or by the Separately Managed Accounts, is payable quarterly in arrears, and is subject to waiver or reduction with respect to any Senior Loan Limited Partner, in the Senior Loan General Partner's discretion and with respect to the Separately Managed Accounts, in the Adviser's discretion. At the discretion of the General Partner, certain Morgan Stanley employees and members of the Advisory Committee, as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, may be subject to no or a reduced Senior Loan Management Fee.

The Adviser and its professionals may charge portfolio companies transaction fees, investment banking fees, sponsor fees, commitment fees, closing fees, amendment fees, break-up fees and other similar fees. An amount equal to each Senior Loan Limited Client'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 Senior

Loan Management Fee otherwise payable by such Limited Partner or Client. All such fees will first be allocated among the Senior Loan Clients and any other investors on the basis of capital committed by each to the relevant investment. Senior Loan Management Fee reductions will be carried forward, if necessary.

Fees may be deducted from the Senior Loan Fund's assets as and to the extent set forth in the limited partnership agreements of the Senior Loan Fund. Fees may be deducted from the Separately Managed Account's assets as, and to the extent, set forth in the applicable investment management agreement and other agreements referenced therein.

Morgan Stanley will perform investment, brokerage, asset management and other services for, and will receive customary compensation from, portfolio companies and the Senior Loan Clients. This compensation may include brokerage fees, syndication fees, arrangement fees, asset management fees and financing or commitment fees paid by the Senior Loan Clients, 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 the portfolio companies. This compensation will not reduce the Senior Loan Management Fee and will not be shared with the Senior Loan Clients or the Senior Loan Limited Partners.

Certain NH Senior Loan Fund Limited Partners will pay an administrative fee to the Adviser or an affiliate thereof in quarterly installments in arrears in an amount equal to: i) during the investment period, 0.20% *per annum* of such NH Senior Loan Fund's Limited Partner's invested capital. As of October 1, 2022, the Adviser has waived the administrative fees for the North Haven Unleveraged Senior Loan Fund (Yen) L.P. limited partners.

- **Carried Interest & Incentive Fees**

The Senior Loan General Partner is generally entitled to carried interest with respect to each Senior Loan Limited Partner equal to 15% of such Senior Loan Limited Partner's profits from each Senior Loan Fund investment (other than Senior Loan Fund Unleveraged Offshore L.P. and North Haven Unleveraged Senior Loan Fund (Yen) L.P.), subject to satisfaction of an 7% internal rate of return, compounded annually, on the invested and unreturned capital of such investment (in the case of dividends, interest and other current income for such investment) and previously realized investments (in the case of investment disposition proceeds).

Such carried interest is earned on an investment-by-investment basis and is not payable until current income is received or disposition proceeds are realized from an investment. At the discretion of the General Partner, certain of the employees, members of the Advisory Committee and co-investment vehicles, as well as certain significant investors depending on the size and timing of their commitment to the applicable fund, however, may be 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 Adviser will also be entitled to an incentive fee (the "Incentive Fee") with respect to the Separately Managed Accounts and the Senior Loan Fund Unleveraged Offshore L.P. and North Haven Unleveraged Senior Loan Fund (Yen) L.P., equal to 10% of profits from certain investments (computed based on realized and unrealized gains and losses) subject to the satisfaction of a 5% internal rate of return, compounded annually, on the invested and unreturned capital of such investment (in the case of dividends, interest and other current income for such investment) and previously realized investments (in the case of investment

disposition proceeds) as set forth in more details and subject to the limitations described in the applicable Separately Managed Account investment management agreement.

- **Expenses**

The Senior Loan Clients may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to the Senior Loan Clients. The payment of such expenses by the Senior Loan Clients 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 Senior Loan Clients. The most common expenses include (i) costs and expenses associated with any existing or proposed indebtedness of the Senior Loan Clients (including principal thereof and interest thereon); (ii) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential Senior Loan Client investment and the acquisition, management, holding, sale, proposed sale or valuation of any Senior Loan Client investments (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated Senior Loan Client investments or unconsummated Senior Loan Fund investments); and (iii) 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 Senior Loan Fund's affairs). Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

- **Placement Agent Fees**

With respect to the Senior Loan Fund, broker-dealers who are the Adviser's affiliates will act as placement agents to assist in the placement of the Senior Loan 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 Senior Loan Fund GP and/or the Adviser.

- **Referral Fees**

From time to time, affiliates of the Adviser may refer or introduce a counterparty to the Senior Loan Clients in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from the Senior Loan Clients 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).

The Clients (in general)

Co-Investments

The terms of a co-investment applicable to one co-investor may be different than the terms applicable to another co-investor, including that certain co-investors may be required to pay a carried interest, incentive fees and/or management fees while other co-investors (including affiliates of Morgan Stanley) may not be required to pay such amounts. The Adviser or the respective General Partner may or may not charge

management and/or incentive 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 each General Partner as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to any of the Funds and capital commitments to other Affiliated Investment Accounts (as hereinafter defined). Unless required by applicable law, co-investors who have not yet made a commitment to participate in one or more specific investments will not be required to share in broken-deal expenses that are paid by the 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 such Funds. The performance of co-investments is not aggregated with that of the Funds, including for purposes of determining any General Partner's respective carried interest or the Adviser's management and/or incentive fees under the relevant partnership agreement. See also "Allocation of Co-Investment Opportunities" in Item 11 below for additional information on the allocation of co-investment opportunities.

Disparate Fee Arrangements with Service Providers

Certain advisors and other service providers to each Fund (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), and/or their affiliates also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the General Partners, the Adviser or their affiliates. Such advisors and other service providers may be investors in any of the Funds, affiliates of the General Partners, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence a General Partner and the Adviser in deciding whether to select or recommend such a service provider to perform services for any of the Funds (the cost of which generally will be borne by the Funds and, indirectly, the Limited Partners). 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 the Clients, which may result in more favorable rates or arrangements than those payable by the any of Clients. 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 or the Separately Managed Accounts (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 and Separately Managed Accounts.

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 and Separately Managed Accounts 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 or related vehicles or separately managed accounts. Most of these pooled investment vehicles are not subject to registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, the minimum investment amount varies among the investment vehicles that comprise the Funds. Morgan Stanley reserves the right to waive any minimum investment requirement in its discretion. In addition, Limited Partner interests in any of the Funds (“Interests”) may be purchased only by certain eligible investors who are “accredited investors” as defined in Regulation D under the Securities Act of 1933, as amended, and “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act.

In the case of the employee funds, Interests have been offered and sold to investors who are “accredited investors” as defined in Regulation D under the Securities Act and in accordance with the requirements of an exemptive order under the Investment Company Act received by Morgan Stanley from the SEC in April 2000.

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

Investment Strategies

NH Credit Partners Funds

The NH Credit Partners Funds' investment objective is to invest primarily in debt instruments issued by corporate issuers in Primary Market Investments, and these investments will often have a small equity component. The NH Credit Partners Funds will also have the flexibility to invest in a limited number of Secondary Market Investments. The NH Credit Partners Funds intend to invest in entities globally with a primary focus on North America and Western Europe. From time to time the Adviser may cause the NH Credit Partners Funds to invest cash held by the NH Credit Partners Funds in temporary investments or to employ hedging techniques to reduce the risk of adverse interest rate, currency, credit or security movements on investments.

Senior Loan Clients

The investment objective is to achieve current income and long-term capital appreciation by investing in the corporate credit markets. The Senior Loan Clients will primarily seek to invest Direct Loans. The Senior Loan Clients may also invest in broadly-syndicated senior secured term loans in the secondary market when such opportunities are available as well as junior debt instruments, such as second lien term loans or unsecured mezzanine notes.

Methods of Analysis

Investment Process

The Adviser intends ultimately to construct a diversified portfolio of up to 25 to 30 Primary Market Investments for each of the NH Credit Partners Funds.

The Adviser intends ultimately to construct a diversified portfolio of up to 40 to 50 Credit Investments for the Senior Loan Clients.

Generally, the Clients seek to invest in companies that have leading market positions, generate strong free cash flow, have high barriers to entry, possess a strong liquidity position and have a proven management team. The Adviser and the investment teams dedicated to sourcing and managing the credit strategies described herein (each, an "Investment Team") employs a highly rigorous, credit centric and disciplined investment process based on the investment process developed and refined by Morgan Stanley Investment Management Private Credit and Equity ("IM Private Credit and Equity"), supported by proprietary qualitative and quantitative credit assessments and valuation metrics developed by the Investment Team. The investment process has three parts: (1) Preliminary Evaluation (as defined below), (2) Active Evaluation (as defined below) and (3) Investment Committee (as defined below) review, and employs the same highly rigorous, credit-centric and disciplined investment process to Primary Market Investments, Secondary Market Investments and Credit Investments.

Preliminary Evaluation

The Adviser expects that the Morgan Stanley network of resources and each Investment Team will generate a substantial number of primary investment opportunities annually across a wide variety of industries and

geographic regions. The Investment Team for each NH Credit Partners Fund expects that each NH Credit Partners Fund will consummate approximately six to eight of these investments per year and the Investment Team for the Senior Loan Clients expects to consummate approximately ten to twelve investments per year for the Senior Loan Fund; and therefore, the initial screening process for each of the Funds is critical to allocating resources efficiently.

An initial review of each primary investment opportunity for each Fund will be carried out by one of the senior members of the respective Fund's Investment Team to determine whether such opportunity is consistent with the respective Fund's investment objectives in terms of quality, valuation, portfolio weighting and the Fund having a competitive advantage (the "Preliminary Evaluation"). If the opportunity fits the particular Fund's investment objectives, the attractiveness of the opportunity is evaluated by the Investment Team. Each Investment Team will utilize the extensive industry expertise resident in IM Private Credit and Equity, Investment Banking, Sales and Trading, Commodities, and Equity and Fixed Income Research (subject in all cases to applicable regulations, policies and procedures) areas to assist in this Preliminary Evaluation. Access to these unique resources is expected to permit the Investment Team to assess each opportunity quickly and effectively and enables it to focus only on compelling opportunities.

If the members of the Investment Team conducting the initial review conclude that an investment opportunity meets a particular Fund's objectives, such investment opportunity will be discussed at the respective Fund's Investment Team's weekly meeting. At this meeting, such Investment Team will discuss the attendant credit risks and relative attractiveness of the investment opportunity and whether Morgan Stanley's resources and relationships can be utilized to give such Fund a meaningful competitive advantage. In general, the Investment Team will not pursue an opportunity unless it has determined that such Fund has such an advantage. Opportunities that gain consensus are advanced to active evaluation ("Active Evaluation").

Active Evaluation

Investment opportunities that emerge from the Preliminary Evaluation phase will be analyzed in detail. The Investment Team's Active Evaluation process consists of two stages. The first stage, the investment quality screen, consists of fundamental credit analysis, covenant and structure analysis and company valuation (the "Investment Quality Screen"). The Investment Quality Screen is intended to identify what a General Partner believes to be the highest-quality investment opportunities. The second stage, the investment risk-reward screen, consists of absolute return, relative return and capital structure assessments (the "Investment Risk-Reward Screen"). The Investment Risk-Reward Screen is intended to identify what are believed to be the most attractive risk-adjusted investments.

- **Investment Quality Screen**

The first phase of the Investment Quality Screen entails comprehensive due diligence on each company, which will likely leverage the extensive industry expertise resident in Morgan Stanley Investment Management, MS Private Credit, Investment Banking, Sales and Trading, Commodities, and Equity and Fixed Income Research (subject in all cases to applicable regulations, policies and procedures) areas to assist in this due diligence process. Diligence typically involves meeting with company management and, if applicable, the financial sponsor, to achieve a comprehensive understanding of the company's competitive positioning, as well as the risks associated with the proposed investment. In addition, the

respective Investment Team will perform a detailed analysis of the company's liquidity position, including its ability to access its revolving credit facility.

The second phase of the Investment Quality Screen consists of an assessment of the company's corporate structure and debt covenants. The objective of this phase, to the extent other debt resides in the capital structure, is to understand a target company's ability to incur any additional debt, undertake credit dilutive actions, flexibility under financial covenants and complexity of corporate structure. For the Primary Market Investments for the NH Credit Partners Funds and Direct Loans for the Senior Loan Fund, this analysis would ensure that a Fund's investment has adequate protections and assurances as to the target company's access to liquidity. For the Secondary Market Investments with respect to each NH Credit Partners Fund, and for senior secured term loans in the secondary market for the Senior Loan Fund, this analysis would help crystallize the optimal entry point within a target company's capital structure. The Adviser believes that each Investment Team is well positioned to conduct this analysis given its extensive capital markets experience. As part of its covenant and capital structure analysis, each Investment Team will retain outside counsel to assist with such analysis.

The third phase of the Investment Quality Screen entails a comprehensive valuation analysis of each target company performed by the Investment Team. Each Investment Team employs appropriate valuation methodologies and leverages the methodologies developed and refined by IM Private Credit & Equity. This analysis is intended to provide further insight into implied asset protection and risk and reward tradeoffs.

- **Investment Risk-Reward Screen**

Once an opportunity has passed the Investment Quality Screen, the respective Investment Team will conduct a risk-reward assessment of the opportunity. In this assessment, the Investment Team will analyze projected absolute returns of the investment over a given horizon, its relative value versus comparable investment opportunities and make a capital structure assessment. The capital structure assessment includes evaluating the risk-return profiles of various parts of a company's capital structure and determining the optimal entry point. The culmination of this two-stage approach leads to a recommendation by the Investment Team to the respective General Partner's investment committee (each, an "Investment Committee").

Investment Committee Review

The Investment Committee consists of senior Investment Team professionals and senior executives of Morgan Stanley. Investment recommendations made by an Investment Team will be reviewed by the relevant Investment Committee. An Investment Team may make multiple presentations to the relevant Investment Committee through various stages in the investment process, leading up to its final recommendation. For every proposed investment, the Investment Team will submit to the relevant Investment Committee a comprehensive, detailed and proprietary credit memo (the "Credit Memo") expressing its investment view and documenting its due diligence. All investment opportunities will be presented to the relevant Investment Committee as transaction opportunities arise.

Portfolio Monitoring

Each Investment Team seeks to monitor actively all portfolio investments and provide the relevant Investment Committee periodic updates on operating and financial performance, new investment recommendations and portfolio composition. Each Investment Team will also provide the relevant Investment Committee with periodic updates on portfolio company financial performance compared to the investment base case set forth in the initial Credit Memo. Further, each Investment Team will provide the relevant Investment Committee periodic recommendations with respect to overall portfolio construction, including industry weightings, capital structure allocations, pace of investing and geographic concentrations. The relevant Investment Committee will review such recommendations and will make recommendations to the Investment Team.

As part of its portfolio monitoring, each Investment Team will engage in formal and informal dialogue with portfolio company management teams, financial sponsors, suppliers and customers, as appropriate, through conversations facilitated, in part, by the Firm's global network in an attempt to give each Fund an ongoing advantage relative to other investors.

As part of a global investment bank, the Adviser expects to have the ability to take on a cooperative role in providing ongoing support to portfolio companies, including full access to the relationships and resources of Morgan Stanley. This should help facilitate potential refinancing or exit opportunities for the Funds' portfolio companies.

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 its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.
- **Cyber Security-Related Risks.** The Adviser is susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Adviser and its service providers, if applicable, use to service the Funds; or operational disruption or failures in the physical infrastructure or operating systems that support the Adviser or its service providers, if applicable.

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

- **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, the Separate Accounts 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, the Separately Managed Accounts and their investments. Any of the foregoing events could materially and adversely affect the Funds' and the Separately Managed Accounts' 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 and Separately Managed Accounts.

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' and the Separately Managed Accounts' 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, the Separately Managed Accounts and their respective investments.

In addition, the operations of the Funds, the Separately Managed Accounts 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.

- **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 covered funds advised by the Adviser, 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 each 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 each 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 Funds are subject to the market terms requirements of Section 23B of the Federal Reserve Act.

Morgan Stanley's interests 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 private funds, is likely to be complex and will entail various legal and compliance costs and expenses, which will be allocated to such funds. The SEC and other US regulators may adopt additional rules in the future that may have an impact on the client's portfolios.

- **Potential Regulatory Overlap.** The Fund vehicles, the Adviser, the distributors of the Funds and the other service providers to the Funds, may be subject to different laws and regulations, for reasons including their jurisdiction of establishment and/or regulatory status. Therefore, various

requirements arising from such laws and regulations and applicable to one or more of the aforementioned persons, and particularly the Adviser, may in certain instances indirectly impose cumulative and/or contradictory obligations on the Fund, (the “Regulatory Overlap”). As a result thereof, the Funds, may be prohibited from making investments or taking other actions which may have been available in the absence of Regulatory Overlap. Although the Adviser may take certain steps to mitigate the loss resulting from the Regulatory Overlap, no assurance can be given as to the results of any such remedial action, which may have a material impact on the Funds’ performance. The Regulatory Overlap may also result in significant additional costs and expenses which will be borne by the Funds and the Separately Managed Accounts and may potentially materially reduce the investors’ returns.

- **Legal, Tax and Other Regulatory Risks; Change in Law.** The Funds and the Separately Managed Accounts expect to make portfolio investments in a number of different industries, some of which are or may become subject to regulation by one or more U.S. federal agencies and by various agencies of the states, localities and countries in which they operate. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies that operate in these industries. The Adviser cannot predict whether new legislation or regulation governing those industries will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on the Funds’ investment performance.

Because the Adviser is an affiliate of Morgan Stanley, the Funds, the Separately Managed Accounts and their activities may be subject to certain limitations that may not be applicable to an investment vehicle unaffiliated with a regulated entity. The Funds and the Separately Managed Accounts may also be subject to certain restrictions when considering portfolio investments in regulated industries because of the impact of these portfolio investments on Morgan Stanley. As a result, the Adviser may restrict or limit transactions or exercise of rights for the Funds and the Separately Managed Accounts, or limit the amount of voting securities purchased by the Funds or restrict the type of governance rights it acquires or exercises in connection with its portfolio investments in regulated industries.

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds and the Separately Managed Accounts and their investment results. Recent economic events have given rise to a political climate in many parts of the world that has resulted, and is expected to result further, in alternative investment management companies and private investment funds, such as the Funds, continuing to be subject to increased regulatory scrutiny and/or becoming subject to entirely new legal, tax or regulatory regimes, including in the United States, in connection with the enactment of the Dodd-Frank Act as described above. The Funds and the Separately Managed Accounts may be adversely affected as a result of new or revised legislation, or regulations imposed by tax or governmental regulatory authorities or self-regulatory organizations that supervise the financial markets.

The Funds, the Separately Managed Accounts and/or some or all of its investor also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by governmental authorities and self-regulatory organizations. It is not possible to determine the extent of the impact of any new or revised laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law and the consequences attendant thereto. In addition, because the Adviser is an affiliate of Morgan Stanley, a regulated entity, the Funds' activities may be subject to any such new or revised laws, regulations or initiatives that may not be applicable to an investor unaffiliated with a regulated entity. Compliance with any new or revised laws or regulations could be more difficult and expensive, and may have an adverse effect on the Funds, the Separately Managed Accounts and their investors and/or the manner in which the Funds conduct business. New or revised laws or regulations may also subject the Funds or some or all of its investors to increased taxes or other costs.

Finally, in connection with general investing activities, Morgan Stanley and/or the Funds may become involved in litigation. There can be no guarantee that such litigation will be resolved in favor of Morgan Stanley and/or the Funds or Separately Managed Accounts and such litigation could be prolonged and/or costly and could subject Morgan Stanley and/or the Funds to reputational risk and substantial costs.

- **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).

- **Unforeseen Events Risk.** Portfolio investments may be subject to catastrophic events and other force majeure events such as fires, earthquakes, volcanic eruptions, lightning, floods, hurricanes and other adverse weather conditions, outbreaks of infectious diseases and other natural disasters, changes in law, eminent domain, riots, terrorist attacks, epidemics and other force majeure events or similar risks. In addition, depending on the country in which a portfolio company is located, there may exist the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. These events could result in the partial or total loss of a portfolio investment or significant down time, resulting in lost revenues, among other potentially detrimental effects.
- **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, the Separately Managed Accounts and their respective investments, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

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- **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, the Funds, the Separately Managed Accounts and/or their 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 or Separately Managed Accounts, which in turn may result in fewer investment opportunities being made available to the Funds or Separately Managed Accounts, result in shortfalls or defaults under existing investments, or impact the Funds’ and the Separately Managed Accounts’ 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, the Separately Managed Accounts or their respective portfolio companies closes or experiences distress, there can be no assurance that such bank will honor its obligations or that the Funds, Separately Managed Accounts 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 Funds, the Separately Managed Accounts or their portfolio companies will establish banking relationships with multiple financial institutions, and the Funds, the Separately Managed Accounts and their 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, the Separately Managed Accounts, 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 and the General Partners cannot provide assurance that they will be able to generate any level of returns for investors. Our

investment strategy entails a high degree of risk and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Funds and the Separately Managed Accounts.

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 provided to Limited Partners. 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 memoranda.

You may also request an updated explanation of risk factors by contacting Morgan Stanley Investment Management Investor Services as described above.

- reliance on expertise of Morgan Stanley investment professionals and Morgan Stanley resources;
- highly competitive markets and prevailing regulatory or political climates;
- engaged in a competitive business;
- illiquidity of investments;
- limitations on transfers and withdrawals;
- leverage at the level of the Funds and/or portfolio companies
- lack of diversification;
- unsuccessful refinancing or syndication;
- adverse political, legal, tax or regulatory developments and regulation in the U.S. and foreign countries;
- fluctuation in exchange rates;
- lack of legal or management control and limited legal recourse;
- high rates of inflation and deflation;
- benchmark rate risk;
- risks related to current interest rate environment;
- risks of rising rates on portfolio companies;
- operational clearance and settlement problems in securities markets;
- counterparty default;
- intermediary default, insolvency and fraud;
- control person liability and inability to protect investment if a controlling interest is not obtained;

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- reliance on portfolio company management;
 - reliance on portfolio company reporting;
 - use of hedging techniques;
 - limitations on investing due to possession of inside information;
 - significant degree of financial and/or business risk;
 - catastrophic events, pandemics and other force majeure events;
 - risks associated with making non-U.S. investment and minority investments
 - burdensome regulation by one or more governmental entities in specific industries;
 - lack of protection by financial covenants in debt investments;
 - risks associated with debt and credit investments;
 - recovery cost of defaulted or non-performing debt investments;
 - risks associated with the realization and disposition of investments;
 - risks of borrowing, including inability to obtain indebtedness on favorable terms;
 - risks associated with non-U.S. and minority investments;
 - potential inability to protect the value of minority equity investments;
 - failure to refinance bridge financing;
 - investments in non-performing, underperforming or other troubled assets;
 - risks arising from providing managerial assistance;
 - misconduct of employees and/or third-party service providers;
 - potential liabilities related to portfolio company restructurings and workout negotiations;
 - inability to generate sufficient cash to service debt obligations at the portfolio company level;
 - credit and market risks related to debt instruments;
 - inability to protect mezzanine and subordinated debt investments;
 - risks of bridge facilities;
 - minority investments or co-investments with third parties;
 - no assurance of sufficient collateral in connection with secured loans;
 - inability to control governing documents of debt instruments;
 - no assurance of recovery on defaulted second-lien loans;
 - lack of certain financial covenants in covenant-lite first-lien loans;

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- investments in lower rated or comparable non-rated securities;
 - use of options and warrants;
 - participation in credit default swaps;
 - no assurance of realization upon a participation or derivative interest;
 - issuer inability to make principal and interest payments on outstanding debt obligations when due including those of subordinated debt;
 - potential claims of lender liability and equitable subordination;
 - investments in publicly-traded securities;
 - investments longer than the term of a Fund;
 - exculpation and indemnification;
 - litigation risk;
 - risk of subscription facility usage; and
 - adverse foreign laws related to restructurings.

Item 9 – Disciplinary Information

The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Introduction

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

The following discussion enumerates certain potential conflicts of interest, which should be carefully evaluated before making an investment in any of the Funds or the Separately Managed Accounts.

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, each Separately Managed Account, 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 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 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 required and/or permitted by applicable law, the Adviser, the Funds, the Separately Managed Accounts, or their respective 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 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 or in the Separately Managed Accounts upon request.

- Affiliates Acting as Fundraising Broker-Dealers

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

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

The Adviser, the Funds and the Separately Managed Accounts 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 and the Separately Managed Accounts or act as placement agents.

- Affiliates Acting as Investment Bankers

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

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

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

In addition, Morgan Stanley could provide investment banking services to competitors of companies in which each of the Funds and the Separately Managed Accounts invests, in which case it will take appropriate steps to safeguard the confidential information of each investment banking client. Morgan Stanley is under no obligation to share and, in fact, may be prohibited by applicable law, from sharing any confidential or material non-public information with any of the Funds, the Separately Managed Accounts or the Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis a Fund’s or a Separately Managed Account’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 a Fund or a Separately Managed Account 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 any of the Funds or Separately Managed Accounts holds an investment. Morgan Stanley's compensation for such activities is generally based upon the successful completion of a restructuring which may include raising funds for the purchase, exchange or restructuring of existing securities or loans or for an equity infusion. In such case, certain conflicts of interest would be inherent in the situation including those involved in valuing the company.

- 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 or Separately Managed Accounts, companies and entities in or through which the Funds or Separately Managed Accounts invest, or other parties in connection with transactions related to the Funds' or Separately Managed Accounts investments. Such compensation could include (as applicable in light of investment strategy of the Fund): (i) fees relating to financing, hedging and currency exchange services, and loan servicing management with respect to investments in which no joint venture operating partner participates with the Fund, and fees in connection with any entity used to acquire, hold or dispose of the Funds' or Separately Managed Accounts investments; (ii) fees relating to Funds or Separately Managed Account 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 the Fund or Separately Managed Accounts, directly or indirectly, has an interest; and (iv) fees for other services for the Fund or Separately Managed Accounts or any entity used to acquire, hold or dispose of the Fund's or Separately Managed Accounts investments. Such fees do not offset or reduce the management fees payable by the Fund or Separately Managed Accounts and are not otherwise shared with the Fund or Separately Managed Accounts or their investors, and may not be the result of arm's-length negotiations, unless otherwise required by the Fund's or Separately Managed Accounts 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 Fund's or Separately Managed Accounts Governing Documents. In general, the Adviser will have an incentive to recommend the use of affiliated service providers by the Funds or Separately Managed Accounts, or their portfolio company or entity.

- 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 and investors in Separately Managed Accounts, counterparties in agreements, transactions, and other arrangements with the Fund, the Separately Managed Accounts and their portfolio companies or entities (or affiliates thereof) (including joint venture partners and operating partners), and service providers to the Funds, the Separately Managed Accounts and their portfolio companies or entities. In determining whether to pursue a particular transaction, or enter into an (or renew or otherwise

continue an existing) arrangement with a service provider, on behalf of any of the Funds, the Separately Managed Accounts, or companies or entities in or through which the Funds and/or Separately Managed Accounts invest, these relationships will be considered by Morgan Stanley and it can be expected that some of these potential transactions or arrangements will or will not be pursued or entered into (or, in the case of arrangements, will or will not be continued) on behalf of any of the Funds, the Separately Managed Accounts, or companies or entities in or through which the Funds and/or Separately Managed Accounts invest in view of such relationships. Moreover, in circumstances where the Adviser is negotiating an agreement, transaction, or other arrangement between a Fund, a Separately Managed Account, or its portfolio company or entity, 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 and/or Separately Managed Accounts.

The Adviser will, from time to time, recommend that a Fund or Separately Managed Account pursue an investment opportunity in which Morgan Stanley, members of its personnel (or immediate family members thereof), one or more other Funds or Separately Managed Accounts, and/or one or more Affiliated Investment Accounts have pre-existing ownership interests or other financial interests. In some cases, a Fund or Separately Managed Account will hold an investment in the same portfolio company or entity as one or more other Funds or Separately Managed Accounts, 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 or Separately Managed Account's interests are in conflict with those of other Funds or Separately Managed Accounts, Morgan Stanley, and/or one or more Affiliated Investment Accounts (as applicable). In that regard, actions could be taken for a Fund or Separately Managed Account, Morgan Stanley or such Affiliated Investment Account that are adverse to another Fund or Separately Managed Account, or actions may or may not be taken by a Fund or Separately Managed Account due to another Fund's or Separately Managed Account's, or Morgan Stanley's or such Affiliated Investment Account's, investment, which action or failure to act could be adverse to the Fund and/or Separately Managed Account 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 Separately Managed Account, 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 Separately Managed Account, or that is a service provider, supplier, customer or other counterparty with respect to a portfolio company of the Fund or Separately Managed Account. Such investment could create a conflict between the Fund and/or Separately Managed Account, 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, a Separately Managed Account, Morgan Stanley, and/or the Affiliated Investment Accounts may be counterparties in agreements, transactions, and other arrangements with a Fund, a Separately Managed Account, 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, a Separately Managed Account, or its portfolio company, pursuant to these agreements, transactions, and other arrangements, do not offset or reduce the management fees payable by the Fund or Separately Managed Account and are not otherwise shared with the Fund or Separately Managed Account 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 Separately Managed Accounts and their portfolio companies or entities could engage portfolio companies or entities of the Funds and/or Separately Managed Accounts and of Affiliated Investment Accounts (“Portfolio Entity Service Providers”) to provide certain services with respect to one or more of the Fund’s or Separately Managed Account’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 or Separately Managed Accounts 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 Separately Managed Account or its portfolio companies or entities to Portfolio Entity Service Providers do not offset or reduce the management fees payable by the Fund or Separately Managed Account, and are not otherwise shared with the Fund or Separately Managed Account or their 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 investors.

- Management Persons

Certain members of the Adviser's investment team may work on matters and projects for Morgan Stanley (including for the Affiliated Investment Accounts) that are unrelated to the Funds and Separately Managed Accounts, 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 and Separately Managed Accounts, which could negatively impact the Funds, the Separately Managed Accounts, 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 and Separately Managed Accounts.

Officers and employees of 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 or the Separately Managed Accounts. Companies with which one or more members of an Investment Team or other employees of Morgan Stanley are involved may also engage in transactions that would be suitable for the Funds or the Separately Managed Accounts, but in which they 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 or Separately Managed Accounts. Consequently, in carrying out their roles with the Adviser or the advisory clients 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 or Separately Managed Account, which will not be shared with the Fund or Separately Managed Account (as applicable), its investors and/or its portfolio companies or entities.

- Senior Advisors and Operating Partners

Morgan Stanley may engage and retain consultants or advisory board members (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 or Separately Managed Account management fees or performance-based compensation payable to the Adviser or the Fund's general partner in respect of the Fund or Separately Managed Account, nor will such payments otherwise benefit the Funds or Separately Managed Account or their 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, the 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 Fund or Separately Managed Account.

- Subscription Facility

A Fund’s or Separately Managed Account’s use of a subscription facility presents conflicts of interest as a result of certain factors, including that a Fund’s or Separately Managed Account’s use of a subscription facility with respect to a portfolio investment or to meet the Fund’s or Separately Managed Account’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 or the Separately Managed Account investors and accelerate or increase distributions of performance-based compensation to the respective Fund’s (or, where applicable, the Separately Managed Account’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 or Separately Managed Account, the presentation of which could affect the Adviser’s or Morgan Stanley’s marketing efforts with respect to future funds and separately managed accounts.

Conflict Identification and Management

Morgan Stanley and the Adviser have established procedures intended to identify and address 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 or Separately Managed Account are detailed agreements that establish complex arrangements among the Adviser, its affiliates, the Fund or Separately Managed Account (as applicable) 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 or Separately Managed Account (as applicable) 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 the Funds or Separately Managed Accounts (as applicable) or their 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

We recommend that current or prospective investors invest in our Funds. Prior to subscribing for Interests in a Fund, investors receive information relating to potential conflicts of interest between the activities of the relevant 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 relevant Fund invests.

On rare occasions, a Fund 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.

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 exemptive order or no-action letters of the SEC Staff, and in accordance with fund and client account governing documents.

Allocation of Investment Opportunities

As the Adviser's clients may have overlapping investment strategies, to attempt to allocate such investment opportunities in a fair and equitable manner, the Adviser has implemented allocation policies and procedures which are intended to give all such clients, including the Funds and the Separately Managed Accounts, fair access to new private credit investment opportunities consistent with the requirements of organizational documents, investment strategies, applicable laws and regulations and the fiduciary duties of the Adviser. Factors considered in allocating co-investment opportunities include, but are not limited to:

- 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
- Issuer, industry and geographical considerations;
- Leverage covenants or restrictions;
- Client investment horizon/life cycle;
- Tax, legal or regulatory considerations
- Prohibitions or restrictions and related exemptive orders issued by the SEC
- 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 has received an exemptive order from the SEC that permits certain private investment funds, separately managed accounts and business development companies registered under the Investment Company Act of 1940 ("1940 Act Funds"), among other things, to co-invest with certain other persons, such as the Funds, the Separately Managed Accounts and certain Affiliated Investment Accounts managed and controlled by the Adviser. The exemptive order enumerates various conditions that need to be followed by the participating investment vehicles in order to co-invest with each other. With respect to co-investment transactions conducted under this co-investment exemptive order, initial internal allocations among certain 1940 Act Funds, the Funds, the Separately Managed Accounts and other investment funds ("Internal Orders") affiliated with the Adviser will generally be made taking into account the allocation considerations described

above. If a 1940 Act Fund invests in a transaction under the co-investment exemptive order and, immediately before the submission of the order for such 1940 Act Fund, the participating Funds and all other funds, accounts or other similar arrangements advised by the Adviser, the opportunity is oversubscribed, such opportunity will generally be allocated on a pro rata basis based on Internal Order size.

Allocation of Co-Investment Opportunities

Any or all of the General Partners may offer co-investment opportunities with respect to none, some or all of the relevant Fund's investments. In the event a General Partner offers co-investment opportunities, such opportunities will be offered pursuant to the terms of the applicable partnership agreement. A General Partner may allocate co-investment opportunities (if any) among interested parties in its sole discretion including for example, on the basis of the size of investor commitments to the relevant Fund and other Affiliated Investment Accounts as well as a broad range of other considerations, including, commercial considerations for the applicable portfolio investment, a Limited Partner's stated desire to participate in co-investments, the General Partner's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties. There can be no assurances with respect to the amount of any co-investment opportunity that will be made available to a Limited Partner in connection with the relevant 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 Funds 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 of the general partners. 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 and the Separately Managed Accounts make, broker-dealers are not generally used for transactions. However, when executing transactions on behalf of a Fund or Separately Managed Account through a broker, dealer or underwriter, the Adviser's objective will be to obtain "best execution" (that is, the most favorable price and execution). The Adviser's effort to obtain best execution on any individual transaction depends substantially on its judgment, knowledge and experience in evaluating the counterparties', advisers' and service providers' ("Counterparties") reliability and capability based on previous and pending transactions effected by the broker-dealer for client accounts. Some of the factors considered by the Adviser in selecting a Counterparty include, among other things, execution quality and capabilities, including with regard to market making, commissions charged by, and gross compensation paid, to such Counterparty, and special knowledge of the Adviser's client's markets.

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

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 or Separately Managed Account 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.

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 Investment Committee reviews and approves all significant investment decisions for the respective Fund or Separately Managed Account. The members of each Investment Committee are identified in the Supplements to the Adviser’s Brochure in Form ADV Part 2B.

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

The Adviser provides quarterly unaudited reports and annual audited reports to the Limited Partners of each Fund and Separately Managed Account, which include, among other things, financial statements and descriptions of the investments of each Fund and Separately Managed Account. 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 and Other Compensation

The Adviser may have compensated placement agents (which may include certain of its affiliates) in return for referrals of Limited Partners.

Item 15 – Custody

The Adviser is deemed to have custody of each Fund's cash and securities by virtue of its relationship with each General Partner. Each Limited Partner of a Fund receives 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 has discretion to recommend to each General Partner, without consent of the relevant 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 a Fund in cases where a broker or dealer is used. The Adviser has similar broad discretion for the Separately Managed Accounts. The Adviser will provide investment advice to each Fund and Separately Managed Account, 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 or a Separately Managed Account 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 or for a Separately Managed Account 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 each Fund and Separately Managed Account and/or under the terms of the partnership agreement of each Fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Fund or Separately Managed Account. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the relevant Fund or Separately Managed Account for which it advises.

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 under the Advisers Act. Copies of the Proxy Voting Policy are available from the Adviser upon request. Under the Proxy Voting Policy, the Adviser will vote proxies on behalf of the clients based on a determination of the best interest of the clients, consistent with the objective of maximizing long-term investment returns for the clients.

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

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

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

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

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

Item 18 – Financial Information

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