

Part 2A of Form ADV: Firm Brochure

MS Capital Partners Adviser Inc.

as Adviser to

Morgan Stanley Next Level Fund, L.P.

1585 Broadway, 23rd Floor

New York, NY 10036

212-761-7160

March 31, 2023

This Brochure provides information about the qualifications and business practices of MS Capital Partners Adviser Inc., as Adviser to Morgan Stanley Next Level Fund, L.P. If you have any questions about the contents of this Brochure, please contact Morgan Stanley Investment Management Investor Services at 212-761-7160, or email MSPCE@seic.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

Item 2 – Material Changes

We provide this brochure to our clients as well as limited partners of the Morgan Stanley Next Level Fund, L.P. (“Limited Partners”).

There have been no material changes since the last distribution of this Brochure, dated March 31, 2023. We will provide clients and Limited Partners with a new Brochure as necessary based on material changes or new information, at any time, without charge upon request.

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

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	5
Item 7– Types of Clients	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information.....	15
Item 10 – Other Financial Industry Activities and Affiliations	16
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
Item 12 – Brokerage Practices	25
Item 13 – Review of Accounts.....	26
Item 14 – Client Referrals	27
Item 15 – Custody	28
Item 16 – Investment Discretion	29
Item 17 – Voting Client Securities.....	30
Item 18 – Financial Information	31

Item 4 – Advisory Business

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

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

As of December 31, 2023, the Adviser had approximately \$27,265,226,001 of regulatory assets under management, all of which are managed on a discretionary basis.

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

The Adviser provides investment advisory services to Morgan Stanley Next Level Fund, L.P. (together with other related parallel, co-investment and feeder vehicles, “Next Level” or the “Fund”). The Fund’s investment objective is to generate long-term capital appreciation generally through privately negotiated venture capital investments in primarily early stage technology and technology-enabled companies in the technology, consumer/retail, financial technology, healthcare and media/entertainment industries with female or diverse members of the founding team of such companies. The Fund expects to invest primarily in the United States and Canada.

Item 5 – Fees and Compensation

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

Administrative Fees

The Adviser will generally receive an annual administration fee (the “Administration Fee”) from the Fund equal to 1.0% of the aggregate capital commitments of the Limited Partners. The Administration Fee is funded by the Limited Partners and is payable quarterly in advance. Upon termination of the management agreement between the Adviser and Fund, the Adviser is generally required to repay to the Fund or to a replacement adviser, as directed by Morgan Stanley Next Level Fund GP, LLC (the “General Partner”), the unearned portion (computed on the basis of the number of days elapsed), if any, of the Administration Fee previously paid to the Adviser (see also “Co-Investments” below for additional information on the fees and expenses relating to co-investments).

Expenses

The Fund may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to the Fund. The payment of such expenses by the Fund does not represent a source of profit for the Adviser, but rather is a reimbursement of actual costs initially paid by the Adviser (or its affiliates) and subsequently passed through to the Fund. The most common expenses include (a) the fees and expenses relating to consummated portfolio investments, unconsummated investments and temporary investments, including the evaluation, acquisition, holding and disposition thereof, to the extent that such fees and expenses are not reimbursed by a portfolio company or other third person; (b) interest on and fees and expenses related to or arising from any borrowing, guarantees or hedging activities of the Fund; (c) premiums for insurance protecting the Fund and any certain persons from liabilities to third persons in connection with the Fund’s investment and other activities; (d) legal, custodial, accounting, administration, auditing, regulatory and compliance expenses, including (i) expenses associated with (A) the preparation of the Fund’s financial statements, tax returns and U.S. Internal Revenue Service Schedule K-1s, (B) the representation of the Fund or the General Partner and the Limited Partners (together with the General Partner, the “Partners”) by the partnership representative and (C) the preparation of U.S. Treasury forms and FATCA compliance, in each case as relating specifically to the Fund and the portfolio companies and (ii) the Fund’s allocable share of costs incurred by Morgan Stanley in connection with regulatory and tax compliance matters relating to the Fund, any co-investment funds, parallel funds and alternative investment funds established by the General Partner or any of its affiliates pursuant to the Limited Partnership Agreement or such other governing document relevant to such vehicle (“Related Investment Fund”) and any Morgan Stanley related person (including, without limitation, expenses relating to the preparation and filing of Form PF and other regulatory filings of the Adviser and its affiliates relating to the Fund’s activities as well as costs of reporting to Limited Partners and to governmental authorities with respect to the Limited Partners, the Fund, any Related

Investment Fund and/or the Fund's or any Related Investment Fund's activities and investments), but excluding, for the avoidance of doubt, the costs of the Adviser's general compliance with the Adviser's Act, such as preparation and updating of Form ADV; (e) all costs and expenses incurred in connection with the formation and organization of, and sale of interests in, the Fund, including in connection with the formation and organization of the General Partner and any alternative investment fund and all out-of-pocket legal, accounting, printing, travel, registration and filing fees and expenses; (f) banking and consulting expenses; (g) compensation of all operating advisors, executive advisors and other consultants to the Fund or portfolio companies, including any employees of Morgan Stanley providing any such services and including reimbursement of the costs and expenses of such persons; (h) appraisal and valuation expenses; (i) expenses related to organizing Persons through or in which portfolio investments may be made; (j) expenses of the advisory committee of the Fund; (k) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (l) except as otherwise provided in the Limited Partnership Agreement, taxes and other governmental charges, registration fees, fees and duties payable by the Fund; (m) Damages; (n) costs of the annual meeting of the Limited Partners and reporting to the Partners; (o) all annual registration fees and registered office fees and expenses; and (p) costs of winding up and liquidating the Fund and the General Partner and with respect to the Feeder Funds and such Related Investment Funds (including the feeder funds of such Related Investment Funds), such similar costs, expenses and liabilities. For the avoidance of doubt, "Fund Expenses" shall include (i) meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with (A) the formation and organization of, and sale of interests in, the Fund (and any parallel funds, Feeder Funds and certain other Related Investment Funds (including the feeder funds of such Related Investment Funds), to the extent determined to be appropriate by the General Partner in good faith, and (B) identifying, negotiating, executing or managing consummated portfolio investments or unconsummated investments for the Fund and such Related Investment Funds and (ii) the costs and expenses (including salaries) incurred by Morgan Stanley, the General Partner, the Adviser or any of their respective Affiliates for services rendered on an arms-length basis in connection with the administration of the Fund, the Feeder Funds and such Related Investment Funds (including the feeder funds of such Related Investment Funds).

The Disclosure Document and the Limited Partnership Agreement for the Fund include further details on fees and compensation and related matters.

Referral Fees

Affiliates of the Adviser may refer or introduce a counterparty to the Fund in respect of certain transactions. Such affiliates may receive compensation (e.g., finder's fee) from such the Fund as opposed to the counterparty.

Co-Investments

The Adviser and/or the General Partner each may or may not charge management fees, one time funding fees, administration fees and/or carried interest in respect of co-investments, subject to the terms of any

applicable agreements with investors. The allocation of any co-investment opportunities may directly or indirectly benefit the Adviser or the General Partner as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to the Fund and capital commitments to other Affiliated Investment Accounts (as hereinafter defined). Co-investors in one or more specific investments will not necessarily be required to share in broken-deal expenses that are paid by the Fund, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to a particular Fund. The performance of co-investments is not aggregated with that of the Fund, including for purposes of determining the administrative fees under the partnership agreement. See also “Allocation of Co-Investment Opportunities” in Item 11 below for additional information on the allocation of co-investment opportunities.

Disparate Fee Arrangements with Service Providers

Certain advisors and other service providers to the 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 Partner, the Adviser or their affiliates. Such advisors and other service providers may be investors in the Fund, affiliates of the General Partner, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence the General Partner and the Adviser in deciding whether to select or recommend such a service provider to perform services for the Fund (the cost of which generally will be borne by the Fund and, indirectly, the Limited Partners). Notwithstanding the foregoing, investment transactions for the Fund that require the use of a service provider generally will be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that the General Partner believes to be of benefit to the Fund. In certain circumstances, advisors and other service providers, or their affiliates, charge different rates or have different arrangements for services provided to Morgan Stanley, the General Partner, the Adviser or their affiliates as compared to services provided to the Fund, which may result in more favorable rates or arrangements than those payable by the Fund. Item 10 further describes material relationships with Morgan Stanley and other affiliated entities.

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

In certain cases (unrelated to the Fund), the Adviser has entered into performance fee arrangements with qualified clients and such fees are subject to individualized negotiation with each such client. The Adviser will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Adviser has designed and implemented procedures to ensure that all clients are treated fairly and equitably.

The Adviser does not charge any performance based fees in relation to the Fund.

Item 7– Types of Clients

The Adviser provides portfolio management services to pooled investment vehicles. Most of these pooled investment vehicles are not subject to regulation under the Investment Company Act of 1940, as amended (the “Investment Company Act”), including the Fund. The Fund is not subject to the Investment Company Act. Generally, Fund investors must invest a minimum of \$5,000,000. The General Partner reserves the right to waive these requirements in its discretion. In addition, Limited Partner interests in the Fund (the “Interests”) are only able to be purchased by certain eligible investors who are (i) “accredited investors” as defined in Regulation D of the Securities Act of 1933, as amended, and (ii) “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act.

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

Investment Strategies

Morgan Stanley Next Level’s investment objective is to seek to generate long-term capital appreciation generally through privately-negotiated venture capital investments in primarily early-stage technology and technology-enabled companies in the technology, consumer/retail, financial technology, healthcare and media/entertainment industries with female or diverse members of the founding team. The Fund will target approximately 10-15 investments per year and has the ability to make follow-on investments on an opportunistic basis.

Methods of Analysis

Preliminary Evaluation

The Fund expects the Morgan Stanley network of resources and the respective management team of the Fund (the “Investment Team”) to generate investment opportunities and expects to consummate approximately 10-15 investments a year. As such, the Investment Team’s initial screening process is critical to efficiently allocating resources.

An initial review of each investment opportunity will be carried out by one of the senior members of the Investment Team (each, a “Managing Principal”) to determine whether such opportunity is consistent with the respective Fund’s investment objectives. If the opportunity fits the Fund’s investment objectives, the opportunity is staffed with a Managing Principal leading the evaluation of the attractiveness of the opportunity. The deal team will oftentimes utilize the extensive industry expertise resident in Morgan Stanley’s Investment Banking, Information Technology and/or Equity Research (subject to applicable regulations, policies and procedures) areas to assist in this preliminary evaluation. Access to these unique resources enables the Investment Team to quickly and effectively assess each such opportunity and is a competitive advantage for the Fund as it maximizes the time that the Investment Team spends on compelling opportunities.

Active Evaluation

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

For each investment opportunity, the deal team will generally make multiple presentations, but a minimum of one, to the Fund’s investment committee (“Investment Committee”). Issues and questions raised by the Investment Committee will be addressed by the respective deal team in subsequent due

diligence. Formal Investment Committee approval is required before the execution of definitive agreements with respect to any transaction.

Risk Considerations Associated with Investing - In General

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 Fund's 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 Fund's investments. Unexpected volatility or lack of liquidity, such as the general market conditions that have prevailed recently, could impair the Fund's profitability or result in their suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.
- **Cyber Security-Related Risks.** The Adviser is susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Adviser and its service providers, if applicable, use to service the Fund; 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 Fund potentially resulting in, among other things, financial losses; the Adviser's inability to transact business on behalf of the Fund; 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 Fund, which may cause the Fund's 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 has 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 Fund and its investments and could meaningfully affect the Fund's ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the Fund's and its 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 this 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 Fund may invest and the value of the Fund's investments therein, the Adviser's operations (including those relating to the Fund) 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 the current public health emergency and any future one, which could result in adverse effects to the Fund or its investments in the form of economic harm, data loss or other negative outcomes. If one or more of the third parties to whom the Fund or its operating companies outsource certain critical business activities experience operational failures as a result of the impacts from the spread of COVID-19 or claim that they cannot perform due to a force majeure, it could cause a material adverse effect on the business, financial condition, results of operations and cash flows of the Fund and its investments. Any of the foregoing events could materially and adversely affect the Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and its ability to fulfill its investment objectives, all of which could result in significant losses to the Fund.

The full impacts of the pandemic on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic, price shocks and related externalities, may not yet be fully identified or understood. In implementing the Fund's investment strategy, the Adviser will make a number of assumptions, including as to the severity of the consequences of COVID-19 to the U.S. and global economies as well as prospective portfolio companies, 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 companies, may be detrimental to the Fund and its investments.

In addition, the operations of the Fund, its 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 regulations to implement the Volcker Rule issued by the U.S. federal financial regulators (“Implementing Regulations”), prohibit “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” that the banking entity sponsors, organizes and offers or for which the banking entity serves as investment manager, investment adviser or commodity trading advisor, or any covered fund controlled by such a covered fund, except as will be permitted pursuant to certain available exemptions. The term covered fund includes, among others, private-equity funds that are privately offered in the United States and 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 Act. Morgan Stanley and its affiliates are banking entities. 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. Morgan Stanley and its affiliates intend to operate the Fund to satisfy the exclusion for qualifying venture capital funds provided in the Volcker Rule and the Implementing Regulations.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect the Fund, the General Partner, the Adviser and the Limited Partners. For example, 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 the 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 extensions of credit pursuant to hedging transactions or other credit support to the Fund (or to any other covered fund controlled by the Fund), other than certain intraday extensions of credit. Certain other transactions between Morgan Stanley and the Fund are subject to the market terms requirements of Section 23B of the Federal Reserve Act. Further, the trading and other investment opportunities of the Fund, and Morgan Stanley’s ability to rely on the venture capital fund exemption in connection with acquiring or retaining an ownership interest in, or acting as sponsor to, the Fund, may be limited to the extent that such action would 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 to high-risk assets or high-risk trading strategies; or pose a threat to the safety and soundness of Morgan Stanley or to the financial stability of the United States.

Morgan Stanley's interest in determining what actions to take in complying with the Volcker Rule may conflict with the interests of the Fund, the General Partner, 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 Fund (and Morgan Stanley's relationship with the Fund) 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. Recently proposed rules by the SEC related to private funds would, if adopted, impose significant additional burdens and requirements on private funds and their advisers (including the Adviser and the Fund).

- **Departure of the United Kingdom (U.K.) from the European Union (EU).** Following the UK's withdrawal from the European Union ("EU") ("Brexit"), the UK and the EU entered into a free trade agreement on January 1, 2021 to govern their future relationship on a number of areas (the "Treaty"). Although the EU and the UK agreed to the Treaty, trade in goods and services between the UK and the EU could be disrupted through the imposition of new customs checks and processes at the border. The UK's departure from the customs union and the single market has rendered its access to EU markets significantly more restricted than before Brexit.

The Treaty does not cover the UK's future relationship with the EU on financial services. The EU and the UK have agreed to a memorandum of understanding establishing a framework for regulatory cooperation in financial services, which does not include a new framework for mutual market access. While some EU directives contemplate access to EU markets by financial services firms established in countries deemed to have equivalent standards, even if UK domestic law continues to be equivalent to EU law (which is not guaranteed), there is no certainty that the EU will facilitate equivalence decisions. Where the EU makes such equivalence decisions, it could unilaterally revoke them at short notice. Because the current EU legal framework no longer applies to the UK and there is not expected to be a replacement unless and until the UK negotiates alternative arrangements with the EU and/or with individual member states, it is expected that there will be disruption in all areas in which there is currently harmonizing EU legislation.

The future application of EU-based legislation to the private fund industry in the UK will depend on the territorial scope of such operations and the actions of the UK government. Any re-negotiated terms or amended laws and regulations could have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives. Brexit could result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased legal, regulatory or compliance burden for investors, the Adviser and/or the Fund, each of which could have a negative impact on the operations, financial condition, returns or prospects of the Fund.

Following Brexit, there could also be an adverse effect on the tax treatment of the Fund's investments. In particular, EU directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties no longer apply to payments made into and out of the UK, so the UK's double tax treaty network with EU member states will need to be considered in their stead.

While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement could have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and elsewhere in Europe.

- **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 2022, the global economic and geopolitical environment was characterized by persistent inflation, rising interest rates, volatility in global financial markets (leading to, among other things, a decline in equity prices), supply chain complications, recessionary fears, and geopolitical uncertainty regarding the war between Russia and Ukraine and its 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 Fund and its investments, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.
- **Recent Developments in the Banking Sector.** Recent bank closures in the United States have 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 – have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, 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 have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the Fund and/or its portfolio companies) will be made whole or, even if made whole, that such deposits will 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, the Fund and/or its portfolio companies may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and limited partners may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with the Fund, which in turn may result in fewer investment opportunities being made available to the Fund, result in shortfalls or defaults under existing investments, or impact the Fund's 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 Fund or its portfolio companies closes or experiences distress, there can be no assurance that such bank will honor its obligations or that the Fund or such portfolio company will be able to secure replacement financing or capabilities at all or on similar terms. There can be no assurances that the Fund or its portfolio companies will establish banking relationships with multiple financial institutions, and the Fund and its portfolio companies are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by recent bank failures – 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. These 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 Fund, its portfolio companies or their respective financial performance.

Risk of Loss -- Certain Risks Related to Investment Strategy

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

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

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

-
- illiquidity of investments;
 - little or no current return on investments prior to their disposition;
 - significant degree of financial and/or business risk;
 - lack of diversification;
 - volatility of the global fixed income and equity markets;
 - lack of protection by financial covenants in debt investments;
 - leverage at the portfolio company level;
 - adverse political developments and regulation in foreign countries;
 - potential inability to protect the value of minority equity investments;
 - reliance on portfolio company management;
 - exposure to portfolio company and related party claims;
 - potential liabilities related to portfolio company restructurings;
 - use of hedging techniques;
 - changes in general economic conditions and global economic and political events;
 - limitations on transfers and withdrawals;
 - risks arising from provision of managerial assistance;
 - catastrophic events, pandemics and other force majeure events; and
 - burdensome regulation by one or more governmental entities in specific industries.

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

Item 9 – Disciplinary Information

The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Introduction

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

Broker-Dealer Registration

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

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

The Adviser, the Fund, its portfolio companies and their respective affiliates may use the commodity pool operator, commodity trading advisor and futures commission merchant registrations or exemptions of one or more of the following related persons: Morgan Stanley Asia Singapore Pte., Morgan Stanley India Infrastructure GP LP, Morgan Stanley Infrastructure GP LP, Morgan Stanley Infrastructure II GP LP, Morgan Stanley Infrastructure III GP L.P., Morgan Stanley Infrastructure III Investors GP SARL, Morgan Stanley Infrastructure IV GP L.P., Morgan Stanley Infrastructure IV Investors GP S.ar.l, Morgan Stanley Infrastructure Inc., Morgan Stanley Private Equity Asia III, L.L.C., Morgan Stanley Private Equity Asia IV, L.L.C., Morgan Stanley Private Equity Asia IV, Inc., Morgan Stanley Private Equity Asia V GP ONT, L.P., Morgan Stanley Private Equity Asia, L.L.C., Morgan Stanley Real Estate Special Situations III-GP LLC, MS Capital Partners Adviser Inc., MS Capital Partners V GP L.P., MS Capital Partners V LP, MS Capital Partners VI GP LP, MS Capital Partners VII GP LP, MS Capital Partners CV GP LLC, MS Credit Partners II GP Inc., MS Credit Partners II GP L.P., MS Credit Partners III GP L.P., MS Credit Partners III S.a.r.l., MS Energy Partners GP LP, MS Expansion Capital GP LP, MS Expansion Capital GP Inc., 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 V International-GP, L.L.C., MSREF V, L.L.C., MSREF VI International-GP, L.L.C., 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., MS Senior Loan Partners GP L.P., NH Senior Loan Fund GP Ltd., Prime Property Fund Asia GP Pte. Limited, Prime Property Fund Europe GP S.a.r.l., Morgan Stanley Next Level Fund GP, LLC, SSF Hedging III GP, Ltd, Morgan Stanley Private Equity Asia Inc., Morgan Stanley AIP GP LP, Morgan Stanley Alternative Investment Partners LP, and Morgan Stanley Investment Management Inc.

Other Material Relationships with Affiliated Entities

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

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

- 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 Investment Management (Japan) Co., Ltd., Morgan Stanley AIP GP LP, Morgan Stanley Asset Management Private Limited, MS 522 CLO Manager LLC, Morgan Stanley Real Estate Advisor, Inc., Morgan Stanley Infrastructure, Inc., Morgan Stanley Private Equity Asia, Inc., MSREF V, L.L.C., MSREF Real Estate Advisor, Inc., MSRESS III Manager, L.L.C., 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, and Eaton Vance Advisers International Ltd., Eaton Vance Trust Company Morgan Stanley Eaton Vance CLO Manager and Morgan Stanley Eaton Vance CLO CM LLC.

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

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

- Affiliates Acting as Investment Bankers

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

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

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

In addition, Morgan Stanley could provide investment banking services to competitors of companies in which the Fund 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 the Fund or the Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Fund's portfolio companies and may also result in a conflict with respect to the allocation of investment banking resources to portfolio companies. Alternatively, any material non-public information about a potential investment or portfolio company in which Morgan Stanley comes into possession may preclude the Fund from pursuing an investment or exit opportunity with respect to such portfolio company or investment.

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

- Other Limited Partnership Investment Vehicles or Funds

- General: Carried Interests

The Adviser and/or certain related persons have and may continue to organize other partnerships and serve as the manager, general partner, or the managing member or general partner of the general partner, to these partnerships. In organizing these partnerships, the Adviser or a related

person may be deemed to have been or to be soliciting investors.

Performance-based distributions may create an incentive for parties who receive such distributions to make more speculative investments for entities which have a carried interest or other performance-based distributions than for the Fund which is absent of such performance-based distributions. Furthermore, investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third party partners of co-investors, which could also create an incentive for such parties to take risks with respect to such investments.

- Morgan Stanley Investments and Affiliated Investment Accounts

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

Morgan Stanley related persons (including Morgan Stanley’s trading and principal investing businesses) will have no obligation to offer to the Fund investment opportunities that are excluded from any otherwise existing contractual obligation. In such situations, a Morgan Stanley related person may pursue and make the investment for its own account. When deciding how to allocate such opportunities, Morgan Stanley will exercise its discretion and may consider its own financial interests or the interests of other clients or affiliates of Morgan Stanley ahead of those of the Fund.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite the Fund to co-invest with it, or the General Partner may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Fund, in either the same or different tiers of a portfolio company’s capital structure or in an affiliate of such portfolio company. To the extent the Fund holds investments in the same portfolio company or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict. See also “Allocation of Co-Investment Opportunities” in Item 11 below for additional information on the allocation of co-investment opportunities.

- Other Morgan Stanley Investment Management Activities

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

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

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

- Management Persons

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

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

Conflict Identification and Mitigation

Morgan Stanley and the Adviser have established procedures intended to identify and mitigate conflicts of interest related to business activities on a worldwide basis. A conflict management officer for each business unit and/or region acts as a focal point to identify and address potential conflicts of interest in their business area. When appropriate, there is an escalation process to senior management within the business unit, and ultimately if necessary to Firm management or the Firm's 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 fund with respect to conflicts of interest or approvals required under the Advisers Act, including Section 206(3) and/or the Limited Partnership Agreement.

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 the Fund or its General Partner, and who have access to non-public information regarding the purchase or sale of securities, or who make securities recommendations to the Fund or its General Partner, or who have access to such recommendations that are non-public (“Access Persons”). Each Access Person is required to acknowledge the Code at the inception of his/her employment and annually thereafter. The Code is designed to make certain that all acts, practices and courses of business engaged in by Access Persons are conducted in accordance with the highest possible standards and to prevent abuse, or even the appearance of abuse, by Access Persons with respect to their personal trading and other business activities.

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

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

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

Personal Trading and Investments

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

Participation or Interest in Client Transactions

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

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

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

Allocation of Investment Opportunities

The Adviser has a governance process in place to ensure that each client is treated in a fair and equitable manner. The following factors will be considered, as appropriate, in connection with allocation decisions:

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

Allocation of Co-Investment Opportunities

The General Partner may offer co-investment opportunities with respect to none, some or all of the Fund’s investments. In the event the General Partner offers co-investment opportunities, such opportunities will be offered pursuant to the terms of the applicable partnership agreement. Certain of the investors may have priority rights (but not obligations) to participate in co-investment opportunities, subject to the terms and conditions of the applicable partnership agreement, subscription agreement, side letter agreement or other agreement setting forth such priority rights. After the allocation of co-investment opportunities to such investors with priority rights to co-investment opportunities (if any), the General Partner may allocate the remainder (if any) of co-investment opportunities among interested parties in its sole discretion including for example, on the basis of the size of investor commitments to the 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 Fund, and there is no guarantee, prediction or projection of the availability to a Limited Partner of future co-investment opportunities.

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

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

Item 12 – Brokerage Practices

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

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

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

Item 13 – Review of Accounts

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

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

Item 14 – Client Referrals

The Adviser has not compensated any placement agents in return for referrals of Limited Partners. However, in the event placement agents are used for referrals of Limited Partners, any additional compensation that is paid specifically for such referrals will meet the requirements under the Advisers Act, if applicable.

Item 15 – Custody

The Adviser is deemed to have custody of the Fund's cash and securities by virtue of its relationship with the General Partner of the Fund. Each Limited Partner of the Fund will receive the 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 the Fund, the Adviser will have discretion to recommend to the General Partner, without consent of the Fund's investors, the particular securities to be bought and sold, the broker or dealer (including a Morgan Stanley affiliate) to be used (if any) and the commission rates to be paid by such Fund in cases where a broker or dealer is used. The Adviser will provide investment advice to the Fund, subject to certain investment limitations regarding diversification and type of permitted investments as set forth in the Limited Partnership Agreement. When executing transactions on behalf of the Fund through a broker, dealer or underwriter, the Adviser's objective will be to obtain the most favorable commission and the best price available on each transaction in light of the quality of execution provided. Consequently, brokers, dealers and underwriters are selected primarily on the basis of their execution, capability and trading expertise.

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

Item 17 – Voting Client Securities

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

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

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

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

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

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

Item 18 – Financial Information

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