

Part 2A of Form ADV: Firm Brochure

MS Capital Partners Adviser Inc.

as Adviser to

North Haven Direct Lending Fund L.P.

North Haven Direct Lending Fund Offshore L.P.

North Haven Direct Lending Fund Aggregator L.P.

1585 Broadway, 23rd Floor

New York, NY 10036

212-761-7160

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

March 30, 2024

This Brochure provides information about the qualifications and business practices of MS Capital Partners Adviser Inc., as adviser to North Haven Direct Lending Fund L.P. and North Haven Direct Lending Fund Offshore 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 mscreditinvestor@morganstanley.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The Adviser is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may find useful in deciding to hire or retain an adviser (or invest in a fund or product advised by the adviser).

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

Item 2 – Material Changes

We provide this brochure to our clients as well as limited partners (collectively, the “Limited Partners”) of each of North Haven Direct Lending Fund L.P., a Delaware limited partnership and North Haven Direct Lending Fund Offshore L.P., a Cayman Islands exempted limited partnership, each of which invests all of its investable assets in North Haven Direct Lending Fund Aggregator L.P. (and together with its related vehicles, collectively, the “Fund”).

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 email mscreditinvestor@morganstanley.com.

Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	6
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 – Disciplinary Information	20
Item 10 – Other Financial Industry Activities and Affiliations	21
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	29
Item 12 – Brokerage Practices	32
Item 13 – Review of Accounts	33
Item 14 – Client Referrals and Other Compensation.....	34
Item 15 – Custody.....	35
Item 16 – Investment Discretion.....	36
Item 17 – Voting Client Securities	37
Item 18 – Financial Information	38

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 Fund, whose investment strategy is described below.

MS Direct Lending GP LP, a Delaware limited partnership and an affiliate of the Adviser (the “General Partner”) is the general partner of the Fund. The terms of the Fund set forth herein are summary descriptions only and are qualified in their entirety by the offering and governing documents of the Fund.

The investment strategy of the Fund is to act as a capital solutions provider to private companies offering tailored credit and credit-like financing solutions through all periods of the business cycle. Investments targeted by the Fund will typically include directly originated senior secured term loans including first lien senior secured term loans (including unitranche loans) and second lien senior secured term loans. In addition, the Fund expects the balance of the investments to be in higher-yielding assets such as mezzanine debt, unsecured debt, equity investments and other opportunistic asset purchases. The Fund will primarily invest in companies that are incorporated in, headquartered in, or have a substantial portion of their operational assets located in and/or revenues generated from North America and to a lesser extent outside of North America.

Item 5 – Fees and Compensation

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

Management Fee

The Adviser will generally receive an annual management fee (the “Management Fee”) from 0.50% to 1.00% on each Limited Partner’s pro rata share of the Fund’s unlevered cost basis (excluding leverage but including any portion of the cost basis funded through borrowing to bridge capital calls) of unrealized portfolio investments that are held by the Fund (reducing the cost basis for any unrealized portfolio investment which suffered an unrealized loss), as of the start of the relevant payment period. The Management Fee is subject to reduction as provided in the following paragraph. The Management Fee is payable quarterly in arrears and any payment for a partial quarter will be prorated based on the actual number of days elapsed during such partial quarter as a fraction of the number of days in the relevant calendar year. Certain investors depending on the size and timing of their commitment to the Fund, however, are subject to no or a reduced Management Fee.

The Adviser and its affiliates may charge portfolio companies transaction fees, sponsor fees, monitoring fees, advisory fees, directors’ fees, break up fees and other similar fees. An amount equal to each Limited Partner’s share of 100% of all such fees paid by portfolio companies that are received by the Adviser or any of its employees, net of any unreimbursed expenses incurred by the Adviser or its affiliates in connection with unconsummated transactions, will be applied to reduce the Management Fee otherwise payable by such Limited Partner. All such fees will first be allocated among the Partners and any other investors on the basis of capital committed by each to the relevant investment. Management Fee reductions will be carried forward, if necessary.

Carried Interest

With respect to each Limited Partner, the General Partner will be generally entitled to carried interest ranging from 11.5% to 15% of the excess of current income and disposition proceeds from all realized portfolio investments and write-downs (and current income used to return capital) distributed to such Limited Partner and to the General Partner in respect of such Limited Partner over the capital contributions of such Limited Partner, subject to satisfaction of a 6% annualized effective internal rate of return on capital contributions of such Limited Partner. Certain investors depending on the size and timing of their commitment to the 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).

Referral Fees

From time to time, affiliates of the Adviser may refer or introduce a counterparty to the Fund in respect of certain transactions. Such affiliates may receive compensation (e.g., finder’s fee) from the Fund, not from the counterparty. Such compensation would not 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).

Expenses

The Fund bears 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 (i) the fees, costs and expenses relating to consummated Fund investments and unconsummated investments, including the identifying, sourcing, evaluation, valuing, acquisition (or potential purchasing), holding, servicing and disposition (or potential disposing) thereof, to the extent that such fees and expenses are not reimbursed by a portfolio company or other third person; (ii) fees, costs and expenses (including third party fees, costs and expenses), if any, incurred for the benefit of the Fund in sourcing, conducting due diligence investigations into, developing, negotiating and structuring prospective or potential Fund investments which are not ultimately made, including any legal, tax, accounting, due diligence, travel, advisory, financing, business development, consulting costs and any other fees, costs and expenses in connection therewith, including reverse break-up fees and lost deposits, duplicating, postage, delivery and lodging, to the extent the Adviser does not elect to bear such costs and expenses; (iii) principal, interest on and fees, costs and expenses related to or arising from any existing or proposed indebtedness or hedging activities of the Fund; (iv) any insurance relating to the affairs of the Fund, together with the costs and expenses of any litigation, indemnification or other extraordinary expense or liability relating to the affairs of the Fund and the amount of any judgments, remediation, fines, damages or settlements paid in connection therewith; (v) costs and expenses in connection with legal, custodial, administration, auditing, accounting, regulatory and compliance obligations (whether such compliance obligations are imposed on the Adviser, its affiliates or the Fund), including, without limitation, any costs, fees and other expenses incurred in connection with (1) compliance with the applicable sanctions, anti-money laundering and counter-terrorist financing rules, (2) the preparation of the Fund's financial statements, tax returns, (3) Form PF, U.S. Treasury forms and FATCA compliance, in each case as relates specifically to the Fund and its portfolio companies, but excluding, for the avoidance of doubt, the costs of the Adviser's general compliance with the Advisers Act, such as preparation and updating of Form ADV and (4) any other government and regulatory filings, including expenses incurred in connection with the registration, qualification, or exemption of the Fund under any applicable laws; (vi) research expenses, data fees and other information technology expenses; (vii) banking and consulting expenses; (viii) appraisal and valuation expenses; (ix) fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of investments or otherwise facilitating the Fund's investment activities, including, without limitation, independent director fees, corporate secretary fees, audit, tax advice, tax filing and legal advice fees, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including any personnel of the Adviser or any of its Affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, other overhead expenses in connection therewith, costs associated with establishing a permanent residence in certain jurisdictions (such as rent for office space and employee compensation); (x) expenses of the Fund's investor advisory committee; (xi) taxes and other governmental charges, fees and duties payable by the Fund; (xii) the Fund's allocable share of costs incurred by the Adviser in connection with regulatory and tax compliance matters relating to the Fund; (xiii) costs of the investor annual meeting and reporting to the partners; (xiv) compensation or other expenses related to the General Partner, its managers or its board of managers; (xv) costs of winding up and liquidating

the Fund and the General Partner; (xvi) all annual registration fees and registered office fees and expenses; but not including organizational expenses; (xvii) costs and expenses incurred in connection with any amendments, restatements or other modifications to, and compliance with, the Fund's partnership agreement, investment management agreement, and any other related documents of the Fund; (xviii) fees, costs and expenses related to a default by a defaulting limited partner, a transfer of interests of a limited partner; (xiv) expenses relating to any side letters, distribution agreements and other similar agreements with Fund investors and prospective Fund investors and modifications and amendments to such agreements; and (xx) other extraordinary expenses. Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The Fund

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 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 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 the Fund. The performance of co-investments is not aggregated with that of the Fund, including for purposes of determining the General Partner's carried interest or the Adviser's management 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 a 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). 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.

The confidential offering memorandum (as supplemented from time to time), partnership agreements, investment management or advisory agreements, and other appropriate documentation for the Fund (collectively, the “Governing Documents”) include further details on fees and, compensation, expenses, and related matters, which should be reviewed carefully by potential investors in Fund.

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

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

Please see Item 5 for further information regarding performance-based fees charged by the Adviser.

Item 7 – Types of Clients

The Adviser provides portfolio management services to pooled investment vehicles and business development companies. The pooled investment vehicles are not subject to regulation under the Investment Company Act of 1940, as amended (the “Investment Company Act”), while the business development companies are subject to regulation under the Investment Company Act. Generally, the minimum investment amount varies among the investment vehicles that comprise the Advisers’ funds and accounts. Morgan Stanley reserves the right to waive any minimum investment requirement in its discretion. In addition, Limited Partner interests in the Fund (“Interests”) may be purchased only by certain eligible investors who are “accredited investors” as defined in Regulation D of the Securities Act of 1933, as amended, and “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

The investment strategy of the Fund is to act as a capital solutions provider to private companies offering tailored credit and credit-like financing solutions through all periods of the business cycle. Investments targeted by the Fund will typically include directly originated senior secured term loans including first lien senior secured term loans (including unitranche loans) and second lien senior secured term loans. In addition, the Fund expects the balance of the investments to be in higher-yielding assets such as mezzanine debt, unsecured debt, equity investments and other opportunistic asset purchases. The Fund is expected to primarily invest in companies that are incorporated in, headquartered in, or have a substantial portion of their operational assets located in and/or revenues generated from North America and to a lesser extent outside of North America.

Methods of Analysis

Investment Process

The Fund's primary investment strategy is to make privately negotiated senior secured credit investments in U.S. middle market companies that have leading market positions, enjoy high barriers to entry, such as high startup costs or other obstacles that prevent new competitors from easily entering the portfolio company's industry or area of business, generate strong and stable free cash flow and are led by a proven management team with strong private equity sponsor backing. The Fund's investment approach is focused on long-term credit performance, risk mitigation and preservation of capital. The Adviser and the investment teams dedicated to sourcing and managing the credit strategies described herein (each, an "Investment Team") employ a highly rigorous, fundamentals-driven and disciplined investment process based on the investment process developed and refined by the investment professionals of the Morgan Stanley Private Credit platform ("MSPC"). The Adviser and the Investment Team works on a particular transaction from origination to close and continues to monitor each investment throughout its life cycle. The Adviser is responsible for origination, underwriting, structuring and monitoring investments and the Adviser's investment process has five stages: Origination, Preliminary Screen, Due Diligence & Structuring, Investment Committee Approval & Closing and Portfolio Management.

Origination

The Adviser's origination platform is complemented by opportunities sourced by other Morgan Stanley divisions and businesses. Morgan Stanley has deep relationships with many middle-market private equity firms and middle-market companies that provide significant investment opportunities.

Preliminary Screen

An initial review of each investment opportunity is conducted by the Adviser to determine whether it is consistent with the Fund's investment objectives and credit standards. If the opportunity so fits, the opportunity is further evaluated by the Adviser. The Adviser utilizes the extensive industry expertise resident in Morgan Stanley (subject in all cases to applicable regulations, confidentiality provisions, information barriers and policies and procedures) to assist in this preliminary evaluation. Access to these resources allows 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 the investment opportunity meets the Fund’s objectives, the Investment Team prepares a screening memo which is discussed with a subset of the Investment Committee at a Preliminary Screen meeting. At a Preliminary Screen meeting, the Investment Team presents an overview of the business, proposed capital structure, proposed terms (if applicable at this stage), key investment highlights and risks, and preliminary financial analysis. Opportunities that are approved at the Preliminary Screen meeting advance to the Due Diligence & Structuring phase.

Due Diligence & Structuring

All investment opportunities that pass the Preliminary Screen are subject to a comprehensive due diligence process. The Adviser uses both internal and external resources in its due diligence process including leveraging the extensive industry expertise resident in Morgan Stanley’s businesses (subject in all cases to applicable regulations, confidentiality provisions, information barriers and policies and procedures). Diligence typically involves meeting with company management and the financial sponsor to achieve a comprehensive understanding of the portfolio company’s competitive positioning, competitive advantage, company strategy and risks and mitigants associated with the proposed investment. Additionally, the Investment Team, to the extent applicable, conducts supplemental diligence, including, without limitation, financial analysis, capital structure review, covenant analysis, review of third-party due diligence reports (financial, industry, legal, technology, insurance and/or environmental), industry research, customer calls, industry expert calls, management background checks, consideration of environmental, social and governance (“ESG”) issues (it being understood that the identification of a material ESG risk will not necessarily be determinative in the Fund’s decision to lend to a potential borrower) and negotiation of legal documentation.

Investment Committee Approval & Closing

The Adviser’s investment committee with respect to the Fund and which is comprised of senior investment professionals (the “Investment Committee”) is engaged throughout the investment process to provide guidance on best practices, industry expertise and related deal experience drawn from their relevant experience. Based on the findings in the Due Diligence & Structuring phase, the Investment Team prepares a detailed memo that is presented to the Investment Committee. The memo includes, but is not limited to discussion of a number of factors as applicable: business overview and Investment Team recommendation, capital structure, sources and uses, key terms and pricing, sponsor overview and history, investment highlights, risks and mitigants, detailed business description, customers and suppliers, industry trends, competition, management team overview, historical and projected financial analysis, covenant analysis, ESG review, debt comparables and legal and regulatory issues. A majority of the Investment Committee must approve a transaction in order for the Fund to proceed with the opportunity. Once approved, the Investment Team works towards closing and funding the investment. Any changes to the investment after approval along with key legal terms are documented and circulated to the Investment Committee prior to closing in the form of a closing memo.

Portfolio Monitoring and Risk Management

The Adviser engages in formal and informal dialogue with portfolio company management teams, financial sponsors, suppliers and customers, as appropriate. The Adviser receives monthly or quarterly financial reports from portfolio companies. This information access and ongoing interactions with portfolio companies and sponsors should provide the Adviser with the ability to anticipate any potential performance or liquidity issues at an early stage and to work proactively toward mitigating potential losses. The Adviser holds quarterly portfolio reviews. In conjunction with the quarterly portfolio reviews, the Adviser also compiles a quarterly risk report that examines, among other things, migration in portfolio and loan level investment mix, industry diversification, ESG review, internal risk ratings, revenue, EBITDA and leverage. Frequency of review of individual loans is determined on a case-by-case basis, based on the Adviser's internal risk rating, total exposure and other criteria set forth by the Investment Committee. Performing loans, or loans on which the borrower has historically made payments of principal and interest on time, are typically discussed every quarter, while any loan that has been downgraded under an internal risk rating scale is typically discussed quarterly at a minimum and more frequently as appropriate. In addition, the Adviser holds monthly "watchlist" meetings which include a discussion of all transactions that have been downgraded, or are at risk for downgrade, under the Adviser's internal risk rating system. As part of the monitoring process, the Adviser has developed risk policies pursuant to which it regularly assesses the risk profile of each of the Fund's debt investments. The Adviser has developed a classification system to group investments into four categories. The investments are evaluated regularly and assigned a category based on certain credit metrics. The Adviser rates the investments in the Fund's portfolio at least quarterly and it is possible that the rating of a portfolio investment may be reduced or increased over time. For investments rated with higher risk, the Adviser enhances its level of scrutiny over the monitoring of such portfolio company by conducting a formal review of the portfolio company on a monthly basis and taking any actions deemed appropriate from the results of such review. More generally, the Adviser performs analysis and projections in response to market conditions to assess potential exposure to the Fund's portfolio. Sample analysis includes evaluation of the impact from a rise in energy prices, volatility in foreign currency exchange rates, interruptions in the supply chain, inflation expectations and interest rate sensitivity.

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 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 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 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 their investment objectives. The extent of the impact of any public health emergency on the Fund 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 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 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 their ability to fulfill their investment objectives, all of which could result in significant losses to the Fund.

The full impact 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 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 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, and the Fund is a covered fund for purposes of the Volcker Rule and the Implementing Regulations. As the Federal Reserve’s general conformance period for compliance with the Volcker Rule’s restrictions has expired, Morgan Stanley and its affiliates are currently required to comply with the Volcker Rule.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect the Fund, the General Partner, the Adviser and the Limited Partners. For example, to sponsor and invest in the Fund, 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 is permitted to acquire or retain an ownership interest in the Fund so long as, among other things, (i) Morgan Stanley provides bona fide trust, fiduciary, or investment advisory services; (ii) the 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 the Fund is generally limited to no more than 3% of the ownership interests of the 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 Fund or of any covered fund in which the Fund invests; (vi) the Fund does not share with Morgan Stanley the same name or variation of the same name and does not use the word “bank” in its name; (vii) no director or employee of Morgan Stanley takes or retains an ownership interest in any Fund, except for any director or employee of Morgan Stanley who is directly engaged in providing investment advisory or other qualifying services to any the 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 Fund; and (ix) the Federal Reserve does not determine that Morgan Stanley’s acquisition or retention of an ownership interest in the Fund is inconsistent with the safe and sound operation and condition of Morgan Stanley.

With regard to the aggregate investment limit, a change in the Tier 1 capital of Morgan Stanley could mean that retention of some or all of the ownership interest in the Fund 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 any 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 the 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 Fund or may be prohibited, entirely or partially, from making further investments in the 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 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 any 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 asset management 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 advisor 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 rules adopted by the SEC related to private funds are expected to impose significant additional burdens and requirements on private funds and their advisers (including the Adviser and the Fund). 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.

- **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 their 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 companies 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 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 Partner cannot provide assurance that they will be able to generate any level of returns for investors. The Fund'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 risk factor and conflicts of interest sections of the Fund's confidential offering memorandum provided to Limited Partners. In addition, there are other risks (in addition to risks related to the Fund's investment strategy) associated with investing in the Fund, which are described in the risk factor and conflicts of interest sections of the Fund's confidential offering memorandum.

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;
- New or modified laws or regulations, including, without limitation, discontinuation of LIBOR;
- highly competitive markets and prevailing regulatory or political climates;
- illiquidity of investments;
- limitations on transfers and withdrawals;
- leverage at the level of the Fund and/or portfolio companies;

-
-
- lack of diversification;
 - unsuccessful refinancing or syndication;
 - adverse political developments and regulation in foreign countries;
 - fluctuation in exchange rates;
 - lack of legal or management control and limited legal recourse;
 - high rates of inflation and deflation;
 - 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;
 - reliance on portfolio company management;
 - use of hedging techniques;
 - significant degree of financial and/or business risk;
 - catastrophic events, acts of war, pandemics and other force majeure events;
 - risks associated with making minority investments;
 - burdensome regulation by one or more governmental entities in specific industries;
 - lack of protection by financial covenants in debt investments;
 - recovery cost of defaulted or non-performing debt investments;
 - 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;
 - 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;
 - covenant-lite loans may expose the Fund to different risks including with respect to liquidity, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants;

-
- 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;
 - potential claims of lender liability and equitable subordination; and

Item 9 – Disciplinary Information

The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Introduction

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. Investors should be aware that potential and actual conflicts of interest between Morgan Stanley or any Affiliated Investment Account (as defined in this Item 10), 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 which should be carefully evaluated before making an investment in the Fund. The discussion below, however, does not purport to provide investors with a complete description of all conflicts of interest that could arise in connection with Morgan Stanley's investment advisory services to the Fund. Prospective investors in the Fund should carefully review the Governing Documents for the Fund for a more tailored and detailed description of actual, apparent, and potential conflicts of interest that should be considered in connection with an investment in the Fund. Moreover, 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.

The following discussion enumerates certain potential conflicts of interest, which should be carefully evaluated before making an investment in the Fund.

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, the Fund, their respective portfolio companies and their respective affiliates may use the commodity pool operator, commodity trading advisor and futures commission merchant registrations or exemptions of one or more of the following related persons: Morgan Stanley Asia Singapore Pte., Morgan Stanley India Infrastructure GP LP, Morgan Stanley Infrastructure GP LP, Morgan Stanley Infrastructure II GP LP, Morgan Stanley Infrastructure III GP L.P., Morgan Stanley Infrastructure III Investors GP SARL, Morgan Stanley Infrastructure IV GP LP, Morgan Stanley Infrastructure IV Investors GP S.à r.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 Credit Partners II GP Inc., MS Credit Partners II GP L.P., MS Credit Partners III GP L.P., MS Credit Partners III S.a.r.l., MS Credit Partners IV GP LP, MS Credit Partners IV GP Inc., MS Energy Partners GP LP, MS Expansion Capital GP Inc., MS Expansion Capital GP LP, MS Expansion Equity GP LP, MS Expansion Credit GP L.P., 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., 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 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 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 Funds, these relationships will be considered by Morgan Stanley and there may be certain potential transactions that will or will not be pursued on behalf of the Funds 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; Incentive Fee

The Adviser and/or certain related persons have and may continue to organize other partnerships or other pooled investment vehicles and serve as the manager, general partner, or the managing member or general partner of the general partner, to these partnerships or other pooled investment vehicles. In organizing these partnerships, the Adviser or a related person may be deemed to have been or to be soliciting investors.

The Adviser's incentive fee may create an incentive for the Adviser's to make more speculative investments for its respective fund than it would otherwise make in the absence of such performance-based distributions. Furthermore, investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third party partners or co-investors, which could also create an incentive for such parties to take risks with respect to such investments. In addition, the method of calculating the incentive fee may result in conflicts of interest between the Adviser, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments. For example, the Adviser and/or the General Partner will value any securities being distributed in-kind to investors in order to calculate its incentive fee 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 the Adviser and/or the General Partner are incorrect, the amount of payment of the incentive fee to the Adviser could be incorrect.

- Morgan Stanley Investments and Affiliated Investment Accounts

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

Morgan Stanley related persons (including Morgan Stanley’s trading and principal investing businesses) will have no obligation to offer to 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 Funds.

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.

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

Fund's, or Morgan Stanley's investment, which action or failure to act could be adverse to the Fund for which the action was or was not taken. See also "Allocation of Co-Investment Opportunities" in Item 11 below for additional information on the allocation of co-investment opportunities.

- Morgan Stanley's Investment Management Activities

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

- Conflicts With Portfolio Companies

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in a portfolio company that is or becomes a competitor of a portfolio company of a Fund, or that is a service provider, supplier, customer or other counterparty with respect to a portfolio company of the Fund. Such investment could create a conflict between the Fund, on the one hand, and Morgan Stanley and/or the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the portfolio company. Portfolio companies of a Fund, Morgan Stanley, and/or the Affiliated Investment Accounts may be counterparties in agreements, transactions, and other arrangements with a Fund, Affiliated Investment Accounts, other portfolio companies of the foregoing, and Morgan Stanley (including its affiliates), for the provision of goods and services, purchase and sale of assets, loan transactions, capital markets transactions, and other matters. Fees paid by a Fund or its portfolio company, pursuant to these agreements, transactions, and other arrangements, do not offset or reduce the management fees payable by the Fund and are not otherwise shared with the Fund or its investors unless otherwise required by the Governing Documents.

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

- Other Morgan Stanley Investment Management Activities

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

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

Certain members of the Adviser’s investment team work on matters and projects for Morgan Stanley (including for the Affiliated Investment Accounts) that are unrelated to the Fund 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 Fund, which could negatively impact the Fund, and its 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 Fund. The agreements and arrangements among Morgan Stanley, the Fund, and the members of the Adviser’s investment team have been and will be established by Morgan Stanley and may not be the result of arm’s-length negotiations.

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 the Fund. 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, but in which the Funds might be unable to invest. Accordingly, in these situations, there may be conflicts of interests between such person’s duties as an officer or employee of the Adviser and such person’s duties as a director of the portfolio company. There can be no assurance that any such investment or transaction that is suitable for an advisory client will necessarily be allocated to that client.

Certain of the Adviser’s management persons may also hold positions with the affiliates listed above. In these positions, those management persons of the Adviser may have some responsibility with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of other affiliates. Additionally, these management persons may come into possession of confidential non-public information and may be recused from certain investment-related discussions, including Investment Committee meetings, so that such members do not receive information that would limit

their ability to perform functions of their employment with Morgan Stanley unrelated to the Fund.

Consequently, in carrying out their roles with the Adviser or the Funds and these other entities, the management persons of the Adviser may be subject to the same or similar conflicts of interest that exist between the Adviser and these affiliates.

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

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

- Senior Advisors and 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 management fees or performance-based compensation payable to the Adviser or the Fund’s general partner in respect of the Fund, nor will such payments otherwise benefit the Fund or its investors.

- Valuation of Assets

The Adviser or the Fund’s general partner will determine the fair value of all investments in accordance with the 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.

- Subscription Facility

A Fund's use of a subscription facility presents conflicts of interest as a result of certain factors, including that typically interest will accrue on any such outstanding borrowings at a rate lower than the rate of the investors' preferred return, that the preferred return does not begin to accrue upon the incurrence of such borrowings, and in the case of a Fund, that the preferred return only begins to accrue on the date of contribution by Limited Partners to the Fund (i.e., the due date for the call notice). As a result, a Fund's use of a subscription facility with respect to a portfolio investment or to meet the Fund's ongoing capital needs, including in relation to the payment of management fees and expenses, could reduce or eliminate the preferred return received by the Fund's Limited Partners and accelerate or increase distributions of performance-based compensation to the Fund's general partner. In addition, using a subscription facility to fund investments will typically have the effect of increasing the internal rates of return for the Fund, the presentation of which could affect the Adviser's or Morgan Stanley's marketing efforts with respect to future funds and separately managed accounts.

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 relevant partnership agreement. The Adviser may also choose to seek the approval of Limited Partners of the Fund with respect to certain conflict situations or matters under the Advisers Act.

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

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

Code of Ethics

The Adviser has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act, applicable to persons who are supervised by the Adviser or support the Adviser in providing investment advice to the Funds or their General Partner or, 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 relevant 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 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. 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 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 exemptive order or no-action letters of the SEC Staff, and in accordance with fund and client account governing documents.

Allocation of Investment Opportunities

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

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, 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:

- Investment guidelines, goals or restrictions of the client
- Capacity and execution capability 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;
- Liquidity requirements;
- Prohibitions or restrictions under the Investment Company Act and related exemptive orders or no action relief 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 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 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 Fund’s investments. In the event that a General Partner offers co-investment opportunities, such opportunities will be offered pursuant to the terms of the applicable partnership agreement. 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 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. 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 Fund does not entitle a Limited Partner to allocations of co-investment opportunities. Co-investment opportunities may, and typically will, be offered to some and not other investors or to third parties (including affiliates of Morgan Stanley) who are not investors in the Fund. Limited Partners are not required to participate in co-investments offered by either General Partner. The actual number of co-investment opportunities made available to Limited Partners may be significantly higher or lower than those made available in connection with other Affiliated Investment Accounts.

The appropriate allocation of fees and expenses generated in connection with potential investments that are not consummated with an investment of a Fund’s assets, including without limitation out-of-pocket fees associated with attorney fees and the fees of other professionals (“Broken Deal Expenses”), will be determined by the Adviser or the respective Fund’s general partner in its good faith discretion. Until such time as a co-investor or a strategic investor makes such commitment related to one or more specific investments, such investors will generally not be required to share in Broken Deal Expenses that are paid by a Fund, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Fund. Thus, where permitted by applicable law, a Fund will generally bear all of such Broken Deal Expenses.

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

Item 12 – Brokerage Practices

Due to the nature of the investments the Funds make, broker-dealers are not generally used for transactions. However, when executing transactions on behalf of 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.

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

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

The Adviser provides quarterly unaudited reports and (commencing with the 2024 fiscal year) 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.

Item 14 – Client Referrals and Other Compensation

The Adviser may from time to time compensate placement agents (which may include certain of its affiliates) in return for referrals of Limited Partners. Any additional compensation paid specifically for such referrals will meet the requirements 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 each General Partner. Each Limited Partner of the Fund receives the Fund’s audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of the Fund fiscal year, commencing with the 2024 fiscal year.

Item 16 – Investment Discretion

As the manager of the Fund, the Adviser has discretion to recommend to each 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 the 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 applicable 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 particular Fund. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the Fund 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.