

Form ADV, Part 2A Brochure

MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED

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March 30, 2020

This Brochure provides information about the qualifications and business practices of Morgan Stanley Investment Management Limited (the “Adviser”, MSIM Ltd, “us” or “we”). If you have any questions about the contents of this Brochure, please contact us, at 212-537-2352. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

ITEM 2 MATERIAL CHANGES

While there have been no material changes to this Brochure since it was last updated on March 29, 2019, we have made certain routine updates.

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APPENDIX A: PRIVACY NOTICE

ITEM 4 ADVISORY BUSINESS

Morgan Stanley Investment Management Limited (“MSIM Ltd”) and its advisory affiliates represent the investment management division of Morgan Stanley, a publicly held company (“Morgan Stanley”). MSIM Ltd is a wholly owned subsidiary of Morgan Stanley, a corporation whose shares are publicly held and traded on the New York Stock Exchange under the symbol “MS”. Morgan Stanley is a leading global financial services firm providing investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the Firm’s employees serve clients worldwide including corporations, governments, institutions, and individuals.

MSIM Ltd was formed in 1986 to lead the Firm’s work in international and global investment, offering investment in the world’s equity and fixed income markets, either separately or as a balanced portfolio, for all institutions. MSIM Ltd registered with the Financial Conduct Authority (FCA) in 2001 and with the SEC as an investment adviser under the Investment Advisers Act of 1940 in 1986.

Overview

For more than 40 years Morgan Stanley Investment Management (MSIM) has provided client-centric investment and risk-management solutions to a wide range of investors and institutions. Our clients include corporations, pension plans, intermediaries, sovereign wealth funds, central banks, endowments and foundations, governments and consultant partners worldwide. Investment strategies span the risk/return spectrum across geographies, investment styles and asset classes, including equity, fixed income, alternatives and private markets.

More than 20 investment teams are organized by capability: Solutions & Multi-Asset, Real Assets, Active Fundamental Equity, Private Credit & Equity, Global Fixed Income and Global Liquidity. MSIM offers its clients personalized attention, the intelligence and creativity of some of the brightest professionals in the industry, and access to the global resources of Morgan Stanley.

The extensive range of MSIM’s services and products reflects our continuous effort to provide products that help meet the needs of investors worldwide. When considering our clients’ unique investment profiles, we apply a holistic approach, with a goal of incorporating the different factors affecting investors’ investment decisions. Our investment teams have the ability to customize solutions for clients, creating tailored approaches in the context of a full-service platform.

MSIM is dedicated to providing superior client service to investors worldwide. In addition to responding to client inquiries and providing timely portfolio analytics and commentary, we share knowledge with clients by organizing proprietary conferences and webcasts, and distributing a wide array of publications and thought leadership papers that highlight our firm’s intellectual capital. We aim to empower our clients to make more informed investment decisions. The longevity of many of our client relationships testifies to our commitment to superior investment service and the productive partnerships we have cultivated throughout our history.

We provide discretionary and non-discretionary investment management services and products to institutional clients and individual investors. We also advise clients on a discretionary and non-discretionary basis as to the appropriate allocation of assets among multiple separate accounts and/or investment companies or other pooled vehicles that we advise (“asset allocation advice”). As a diversified global financial services firm that engages in a broad spectrum of activities including financial advisory services, asset management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and other activities, you should be aware that there will be occasions when Morgan Stanley may encounter potential conflicts of interest in connection with its investment management services.

MSIM Ltd also provides asset allocation advice for fees that are negotiated and vary depending on a client's particular circumstances. In connection with this service, MSIM Ltd advises clients on a discretionary and non-discretionary basis as to the appropriate allocation of their assets among various separate accounts and/or investment companies advised by MSIM Ltd, including but not limited to the Morgan Stanley Institutional Fund, Inc. and the Morgan Stanley Institutional Fund Trust, each an open- end registered investment company, the Morgan Stanley Investment Funds a Societe d'Investissement a Capital Variable ("SICAV") which is a collective investment vehicle established in Luxemburg and the Morgan Stanley Funds UK which is an open ended investment company ("OEIC") in the UK. MSIM Ltd.'s asset allocation fee is in addition to fees it and its affiliates receive as adviser and administrator to such investment companies. Because MSIM Ltd. receives varying fee levels for its advisory services to the investment companies it recommends, it may be deemed to have a conflict of interest in rendering its asset allocation advice.

MSIM Ltd.'s fund of funds advisory business consists primarily of identifying investment opportunities and making investments in diversified portfolios of traditional and non-traditional investment funds. Advisory services of this nature are provided to funds and separate accounts on a discretionary and non-discretionary basis. The underlying funds in which we invest are referred to throughout as the “Underlying Investment Funds” and the third party investment managers who manage the Investment Funds are referred to as the “Underlying Investment Managers”

In addition to providing advisory services as described above, we may also act as the adviser of certain other funds (or other similar vehicles) that are established to invest in co-Investments alongside Investment Funds in which the accounts may also invest or in other underlying private equity funds in connection with a specific investment (collectively, the "co-Investment Partnerships").

Our fund of funds advisory and portfolio solutions business focuses on the discretionary and in certain instances, non-discretionary investment management of accounts across three strategies: (1) fund of hedge funds; (2) private markets fund of funds; and (3) portfolio solutions.

Assets Under Management

As of December 31, 2019 MSIM Ltd managed, \$145,708,941,385 on a discretionary basis and \$8,993,699,004 on a non-discretionary basis totaling \$154,702,640,390 of assets under management.

ITEM 5 FEES AND COMPENSATION

Management Fees

MSIM Ltd.'s fees may vary from the applicable schedules below due to the particular circumstances of the client or as otherwise negotiated with particular clients including clients in funds and other pool investment vehicles. MSIM Ltd may provide investment advisory services to clients for negotiated fixed fees based on the value of the services rendered and may, from time to time, receive a performance based fee, except in those jurisdictions that do not allow fees based on performance. MSIM Ltd may also negotiate per-transaction fees with clients which are expressed as a percentage of the value of each account transaction. Holdings in a client's account may include REITS, investment companies (including ETFs) and other pooled vehicles for which a separate management fee is charged, including investment companies and other pooled vehicles advised by MSIM Ltd or a related person.

Fees are generally billed quarterly in arrears based on current or quarter-average market values. Certain accounts are, however, billed quarterly in advance. The timing of fee payments and method of calculation for particular clients may vary in accordance with client preferences. Typically, MSIM Ltd.'s services are terminable by either party upon written notification in accordance with the applicable contractual notice provision. Upon termination the fees described above (including performance fees, if any) generally will be prorated.

The fees below are only the advisory fees charged by MSIM Ltd and do not reflect custodial or other fees that may be applicable to a client's account.

Item 12 "Brokerage Practices", further describes the factors that MSIM Ltd considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Fee Schedules

Investment Team	Strategy	Attribute (Fees And Expenses)	Fee Schedule
Counterpoint Global	Advantage	Minimum Initial Investment	USD \$25M
		Management Fee	0.750% on the first \$50 M of assets under management
			0.500% on the next \$25 M of assets under management
			0.400% on the next \$25 M of assets under management
			negotiable thereafter
	Global Opportunity	Minimum Initial Investment	USD \$100M
		Management Fee	0.750% on the first \$100 M of assets under management
			0.650% in excess of \$100 M of assets under management
Active International Allocation	Active International Allocation	Minimum Initial Investment	USD \$25M
		Management Fee	0.650% on the first \$100 M of assets under management
			0.600% on the next \$100 M of assets under management
			0.550% in excess of \$200 M of assets under management
Emerging Markets	Asia Ex Japan Equity	Minimum Initial Investment	USD \$50M
		Management Fee	0.800% on the first \$50 M of assets under management
			0.700% in excess of \$50 M of assets under management
	China A Equity	Minimum Initial Investment	USD \$50M
		Management Fee	0.900% on total assets
	Global Emerging Markets Equity	Minimum Initial Investment	USD \$100M
		Management Fee	0.950% on the first \$100 M of assets under management
			0.900% on the next \$100 M of assets under management
			0.850% on the next \$100 M of assets under management
			0.800% in excess of \$300 M of assets under management
	Emerging Markets Small Cap	Minimum Initial Investment	USD \$100M
		Management Fee	1.250% on total assets

International Equity	Global Franchise	Minimum Initial Investment	USD \$50M
		Management Fee	0.800% on the first \$25 M of assets under management
			0.750% on the next \$25 M of assets under management
			0.700% on the next \$50 M of assets under management
			0.650% in excess of \$100 M of assets under management
			Fee Schedule available for mandates over \$200M
	Global Quality	Minimum Initial Investment	USD \$50M
		Management Fee	0.800% on the first \$25 M of assets under management
			0.750% on the next \$25 M of assets under management
			0.700% on the next \$50 M of assets under management
			0.650% in excess of \$100 M of assets under management
			Fee Schedule available for mandates over \$200M
	Global Sustain	Minimum Initial Investment	USD \$50M
		Management Fee	0.725% on the first \$50 M of assets under management
			0.650% on the next \$50 M of assets under management
			0.600% in excess of \$100 M up to \$200M, flat on all assets
			0.530% in excess of \$200 M up to \$350M, flat on all assets
			0.500% in excess of \$350 M flat on all assets
	International Equity	Minimum Initial Investment	USD \$100M
		Management Fee	0.800% on the first \$25 M of assets under management
			0.600% on the next \$25 M of assets under management
			0.500% on the next \$25 M of assets under management
			0.400% in excess of \$75 M of assets under management
Global Listed Real Assets	European Real Estate Securities	Minimum Initial Investment	USD \$50M

		Management Fee	0.650% on the first \$100 M of assets under management
			0.500% in excess of \$100 M of assets under management
	Global Infrastructure Securities	Minimum Initial Investment	USD \$50M
		Management Fee	0.700% on the first \$50 M of assets under management
			0.600% on the next \$50 M of assets under management
			0.500% on the next \$300 M of assets under management
			0.400% in excess of \$400 M of assets under management
	Global Real Estate Securities	Minimum Initial Investment	USD \$50M
		Management Fee	0.750% on the first \$100 M of assets under management
			0.500% on the next \$300 M of assets under management
			0.400% in excess of \$400 M of assets under management
	Global Concentrated Real Estate Securities	Minimum Initial Investment	USD \$50M
		Management Fee	0.750% on the first \$100 M of assets under management
			0.500% in excess of \$100 M of assets under management
Global Multi-Asset	Global Tactical Asset Allocation	Minimum Initial Investment	USD \$100M
		Management Fee	0.750% on the first \$100 M of assets under management
			0.650% on the next \$150 M of assets under management
			0.550% on the next \$250 M of assets under management
			0.450% thereafter

Investment Team	Strategy	Attribute (Fees And Expenses)	Fee Schedule
Emerging Markets Debt	Emerging Markets Corporate Debt	Minimum Initial Investment	USD \$50M
		Management Fee	0.600% on the first \$50 M of assets under management
			0.550% on the next \$50 M of assets under management
			0.500% in excess of \$100 M of assets under management
	Emerging Markets Domestic Debt	Minimum Initial Investment	USD \$50M
		Management Fee	0.550% on the first \$50 M of assets under management
			0.500% on the next \$50 M of assets under management
			0.450% in excess of \$100 M of assets under management
	Emerging Markets External Debt	Minimum Initial Investment	USD \$50M
		Management Fee	0.500% on the first \$50 M of assets under management
			0.450% on the next \$50 M of assets under management
			0.400% in excess of \$100 M of assets under management
	Emerging Markets Fixed Income Opportunities	Minimum Initial Investment	USD \$50M
		Management Fee	0.550% on the first \$50 M of assets under management
			0.500% on the next \$50 M of assets under management
			0.450% in excess of \$100 M of assets under management
European Fixed Income	European Aggregate Core	Minimum Initial Investment	EUR €50M
		Management Fee	0.250% on the first €50 M of assets under management
			0.200% on the next €50 M of assets under management
			0.150% in excess of €100 M of assets under management
	European Aggregate Core Plus	Minimum Initial Investment	EUR €50M
		Management Fee	0.250% on the first €50 M of assets under management
			0.200% on the next €50 M of assets under management

			0.150% in excess of €100 M of assets under management
	European Fixed Income Opportunities	Minimum Initial Investment	EUR €50M
		Management Fee	0.300% on the first €50 M of assets under management
			0.250% on the next €50 M of assets under management
			0.200% on assets in excess of €100 M of assets under management
Global Fixed Income	Global Absolute Return	Minimum Initial Investment	USD \$100M
		Management Fee	0.350% on the first \$100 M of assets under management
			0.300% in excess of \$50 M of assets under management
	Global Aggregate Fixed Income	Minimum Initial Investment	USD \$100M
		Management Fee	0.300% on the first \$100 M of assets under management
			0.250% on the next \$150 M of assets under management
			0.200% in excess of \$250 M of assets under management
	Strategic Income	Minimum Initial Investment	USD \$100M
		Management Fee	0.350% on the first \$100 M of assets under management
			0.300% in excess of \$50 M of assets under management
	Global Buy and Hold	Minimum Initial Investment	USD \$50M
		Management Fee	0.300% on the first \$50 M of assets under management
			0.250% on the next \$50 M of assets under management
			0.200% in excess of \$100 M of assets under management
	Global Convertible Bond	Minimum Initial Investment	EUR €50M
		Management Fee	0.500% on the first €50 M of assets under management
			0.450% on the next €50 M of assets under management
			0.400% in excess of €100 M of assets under management
	Global Buy and Maintain Credit	Minimum Initial Investment	USD \$50M

		Management Fee	0.300% on the first \$50 M of assets under management
			0.300% on the next \$50 M of assets under management
			0.250% in excess of \$100 M of assets under management
	Global Credit	Minimum Initial Investment	USD \$50M
		Management Fee	0.300% on the first \$50 M of assets under management
			0.300% on the next \$50 M of assets under management
			0.250% in excess of \$100 M of assets under management
	Global Fixed Income Opportunities	Minimum Initial Investment	USD \$100M
		Management Fee	0.350% on the first \$100 M of assets under management
			0.300% in excess of \$100 M of assets under management
	Global High Yield	Minimum Initial Investment	USD \$50M
		Management Fee	0.500% on the first \$50 M of assets under management
			0.450% on the next \$50 M of assets under management
			0.400% in excess of \$100 M of assets under management
	Global Securitized	Minimum Initial Investment	USD \$75M
		Management Fee	0.300% on the first \$50 M of assets under management
			0.250% on the next \$50 M of assets under management
			0.200% in excess of \$100 M of assets under management
	Global Limited Duration	Minimum Initial Investment	USD \$50M
		Management Fee	0.250% on the first \$50 M of assets under management
			0.150% on the next \$50 M of assets under management
			0.100% in excess of \$100 M of assets under management
	Global Opportunistic Sovereign	Minimum Initial Investment	USD \$100M
		Management Fee	0.220% on the first \$100 M of assets under management

			0.170% in excess of \$100 M of assets under management
	Global Sovereign	Minimum Initial Investment	USD \$100M
		Management Fee	0.200% on the first \$100 M of assets under management
			0.150% in excess of \$100 M of assets under management
U.S. Taxable Fixed Income	Opportunistic Mortgage	Minimum Initial Investment	USD \$75M
		Management Fee	0.300% on the first \$100 M of assets under management
			0.250% on the next \$150 M of assets under management
			0.200% in excess of \$250 M of assets under management
	U.S. Mortgage	Minimum Initial Investment	USD \$50M
		Management Fee	0.150% on the first \$50 M of assets under management
			0.150% on the next \$50 M of assets under management
			0.100% in excess of \$100 M of assets under management
	Core Fixed Income	Minimum Initial Investment	USD \$50M
		Management Fee	0.200% on the first \$50 M of assets under management
			0.150% on the next \$50 M of assets under management
			0.125% in excess of \$100 M of assets under management
	Core Plus Fixed Income	Minimum Initial Investment	USD \$50M
		Management Fee	0.250% on the first \$50 M of assets under management
			0.200% on the next \$50 M of assets under management
			0.150% in excess of \$100 M of assets under management
	Government Bond	Minimum Initial Investment	USD \$100M
		Management Fee	0.200% on the first \$100 M of assets under management
			0.150% in excess of \$100 M of assets under management
	Limited Duration US Government	Minimum Initial Investment	USD \$150M

		Management Fee	0.100% on the first \$150 M of assets under management
			0.075% on the next \$350 M of assets under management
			0.060% in excess of \$500 M of assets under management
	U.S. High Yield	Minimum Initial Investment	USD \$50M
		Management Fee	0.500% on the first \$50 M of assets under management
			0.400% on the next \$50 M of assets under management
			0.300% in excess of \$100 M of assets under management
	U.S. Investment Grade Corporate	Minimum Initial Investment	USD \$50M
		Management Fee	0.300% on the first \$50 M of assets under management
			0.250% on the next \$50 M of assets under management
			0.200% in excess of \$100 M of assets under management
	U.S. Long Duration	Minimum Initial Investment	USD \$50M
		Management Fee	0.200% on the first \$50 M of assets under management
			0.150% on the next \$50 M of assets under management
			0.125% in excess of \$100 M of assets under management
	U.S. Limited Duration	Minimum Initial Investment	USD \$150M
		Management Fee	0.100% on the first \$150 M of assets under management
			0.075% on the next \$350 M of assets under management
			0.060% in excess of \$500 M of assets under management
	U.S. Short Duration	Minimum Initial Investment	USD \$150M
		Management Fee	0.100% on the first \$150 M of assets under management
			0.075% on the next \$350 M of assets under management
			0.060% in excess of \$500 M of assets under management

Fund of Hedge Funds

For advisory services rendered to the funds pursuing a private markets fund of hedge funds investment strategy, we generally are entitled to a management fee in an amount (on an annualized basis) of up to (i) 1.50% of the net asset value of the applicable Fund or SMA, or (ii) 1.50% of the aggregate capital commitment to the applicable fund or SMA. In the case of certain funds, the fees we charge may decrease over time upon the occurrence of certain events, as described in the governing documents of such funds or SMA. In some cases, we or our affiliates are also entitled to and receive performance based fees or allocations which may be up to 10% of the investor's net profits, and may be subject to a minimum hurdle rate and /or high water mark. In addition, for certain funds managed by us or an affiliate, we are generally entitled to carried interest with respect to each investor equal to 10% of such investor's profits, subject to satisfaction of an 8% internal rate of return, compounded annually.

Funds pursuing a fund of hedge funds investment strategy generally book fees (and as applicable, incentive allocation estimates) on a monthly basis or quarterly basis. Clients or investors should refer to the governing documents for the applicable fund or the investment advisory agreement governing their SMA relationship, for additional information regarding services and fees associated with the fund or SMA.

Private Markets Fund of Funds

For investment advisory services rendered to the funds pursuing a private markets fund of funds investment strategy, we are generally entitled to a management fee in an amount (on an annualized basis) of up to 1.75% either (i) the investor's aggregate capital commitments to a fund, (ii) the investor's attributable share of the aggregate capital commitments made by the fund to its Underlying Investment Funds (based on the acquisition costs of such investments) or (iii) the investor's attributable share of the aggregate capital contributions made by the fund to its Underlying Investment Funds (excluding amounts constituting a return of a capital contribution by such underlying investments) or (iv) on the investor's aggregate contributions with respect to Underlying Investment Funds plus the investor's attributable share of the aggregate unfunded capital commitments made by the applicable fund to its Underlying Investment Funds. In the case of certain funds, the fees charged by us may decrease over time upon the occurrence of certain events, as described in the governing documents of such funds.

Funds that pursue a private markets fund of funds strategy, the management fee will be charged in addition to an investor's capital commitment. In most cases, AIP GP LP ("AIP") or one of its affiliates is also entitled to receive performance based fees, which vary.

We or our affiliates are generally entitled to carried interest with respect to each investor generally ranging from 5% - 15% of such investor's profits, subject to satisfaction of an internal rate of return ranging from 6% - 10%, compounded annually.

Funds pursuing a private markets investment strategy generally book fees on a quarterly basis and some of the funds are required to pay the management fee quarterly in advance. We do not provide refunds for such fees paid in advance.

Clients or investors should refer to the governing documents for the applicable fund for additional information regarding services and fees associated with the fund.

Portfolio Solutions Group

For discretionary services rendered to investors in commingled funds, we generally are entitled to a fee in an amount (on an annualized basis) of up to .90% of the net asset value of the applicable account. Fees are recorded monthly within a fund.

Separately Managed Accounts:

The fees we charge for separate account management services vary based on the particular circumstances of the client or as otherwise negotiated. Our services are terminable by either party in accordance with the applicable contractual notice provision. Generally, fees on separate accounts are billed quarterly in arrears, however in some cases they are billed quarterly in advance. The timing of fee payments will vary in accordance with clients' preferences. In addition to being subject to the fees we charge, the portion of each client account that is invested in a fund will also bear a proportionate share of the advisory fees and other expenses of the fund; however such fees and expenses may be waived and/or rebated at our discretion. Separately managed accounts may be invested in products sponsored or advised by our affiliates that carry product level management fees and other expenses.

Expenses Charged to Clients/Fee Discounts

Fees and expenses investors in hedge fund of funds or private markets fund of funds strategies may expect to incur include, but are not limited to, the operating expenses and performance-based incentive fees or allocations of expenses of the Underlying Investment Funds in which the funds invest. Operating expenses typically consist of management fees, administration fees, professional fees (i.e., audit and legal fees), and other operating expenses. With respect to funds that pursue a private markets fund of funds strategy, the management fee will be in addition to an investor's capital commitment.

Depending upon the terms of particular arrangements with clients, we may select or recommend that certain service providers to clients (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms) and/or their affiliates perform services for clients (the cost of which generally will be borne by the advisory client.) These service providers, in some cases, also provide goods or services to or have business, personal, political, financial or other relationships with us or our affiliates. Such service providers may be investors in a fund, our affiliates, sources of investment opportunities or co-investors. These other services and relationships have the potential to influence us in deciding whether to select or recommend such a service provider to perform services for clients. Notwithstanding the foregoing, when making investment transactions on behalf of clients that require the use of a broker-dealer, we select broker-dealers for the execution of transactions, except where client instructions don't permit, in accordance with our duty to seek "best execution" (i.e., the most favorable overall price and execution) as detailed in "Best Execution and Brokerage Selection Factors" section of Item 12 "Brokerage Practices". In certain circumstances, service providers, or their affiliates, charge different rates or have different arrangements for services provided to Morgan Stanley, us or our affiliates as compared to services provided to the clients, which may result in more favorable rates or arrangements for Morgan Stanley or our affiliates than those payable by our clients. From time to time, we will be required to decide whether and to what extent costs and expenses are borne by a client, us, allocated among more than one client, or allocated among one or more clients and us. When expenses apply to more than one client, we will exercise our reasonable judgement when making allocation determinations.

Clients and investors in funds advised by us, are generally required to bear out-of-pocket costs and expenses incurred in connection with deals that are not ultimately completed. Typically, these expenses include (i) legal, accounting, advisory consulting or other third-party expenses in connection with making an investment that is not ultimately consummated, (ii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made (in each case, to the extent such investment is not ultimately made by another advisory client).

Subject to applicable law and the relevant fund's governing documents, we may enter into arrangements with certain investors that have the effect of altering or supplementing the terms of such investors' investments in a fund, including with respect to waivers or reductions of the management fee.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, we have entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client.

Because portfolio managers often manage assets for other investment companies, pooled investment vehicles and/or other accounts (including accounts of institutional clients and pension plans), with different fee schedules, the portfolio manager has an incentive to favor higher paying clients or accounts where we receive a performance-based fee over other accounts. In addition, a conflict could exist to the extent that we have proprietary investments in certain accounts, where portfolio managers have personal investments in certain accounts or when certain accounts are investment options in our employee benefits and/or deferred compensation plans. Although this doesn't impact individual compensation, in such instances, the portfolio manager has an incentive to favor these accounts over others. A portfolio manager may also be faced with a conflict of interest when allocating investment opportunities, given the possibility of greater fees from accounts that pay performance-based fees as opposed to accounts that do not pay performance-based fees.

If we manage accounts that engage in short sales of securities of the type in which the account invests, we could be seen as harming the performance of the account for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall.

For additional information on allocation issues and our practices, please refer to Item 12, “Brokerage Practices.”

To address these types of conflicts, we have adopted policies and procedures pursuant to which allocation decisions may not be influenced by fee arrangements and investment opportunities will be allocated in a manner that we believe to be consistent with our obligations as an investment adviser. To further manage these types of conflicts, we have implemented Side-by-Side Management guidelines, which are designed to set out specific requirements regarding the side-by-side management of traditional investment portfolios (e.g., long-only portfolios) and alternative investment portfolios (e.g., hedge fund portfolios) in order to manage potential conflicts of interest, including without limitation, those associated with any differences in fee structures, investments in the alternative investment portfolios by MSIM or its employees and trading-related conflicts (including conflicts of interest that may also be raised when MSIM investment teams take conflicting (i.e., opposite direction) positions in the same or related securities for different accounts.) In addition, we have established a Side-by-Side Management Subcommittee to help ensure that such conflicts are reviewed and managed appropriately. The Side-by-Side Management Subcommittee meets on a regular basis and is comprised of representatives from business areas and control functions. The responsibilities and duties of the Side-by-Side Management Subcommittee include, among other things, establishing and reviewing appropriate reporting to monitor and review investment and related activities in Side-by-Side Management situations for the relevant business areas.

ITEM 7 TYPES OF CLIENTS

The Adviser provides advice to corporate pension and profit-sharing plans, corporate entities, insurance companies, state, local and foreign government entities (including foreign pension funds), supra-national organizations, endowments, Sovereign Wealth Funds, educational institutions, foundations, cultural institutions, registered mutual funds, closed end funds, fund of one, unregistered funds and foreign regulated funds such as SICAVs, OEICs, QIFs and SIFs.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Adviser has the following significant Equity Investment Strategies:

European Equity

The Eurozone Equity Alpha Strategy seeks to generate long-term capital appreciation by investing primarily in a concentrated portfolio of equity securities of high quality companies domiciled or exercising the predominant part of their economic activity in the Eurozone with sustainable competitive advantages, strong cash-flow generation, and high returns on investment. To achieve this objective, the

investment team employs disciplined, fundamental analysis to identify those companies that trade at a discount to their long-term intrinsic value.

The European Champions Strategy seeks to generate long-term capital appreciation by investing in European companies with a demonstrable track record of superior returns that possess a prominent and sustainable position in their field, potentially enabling superior profitability and investment returns. To achieve this objective, the investment team combines quantitative filters with rigorous qualitative analysis to create a concentrated, high conviction portfolio with a high active share.

International Equity

The International Equity Strategy invests primarily in equity securities domiciled outside of the U.S. The strategy invests in a diversified portfolio of two types of stocks: attractively priced High Quality Compounders, companies characterized by high returns on capital and strong free cash flow generation and Value Opportunities, companies with reasonable and/or improving fundamentals; the mix of the two types of stocks varies over time based on attractive valuation and company prospects. The Strategy seeks to provide superior returns over the long term by providing attractive absolute returns in rising markets while offering a measure of reduced downside participation in challenging markets. This strategy is also available with limited US exposure.

The Global Franchise Strategy invests bottom-up in a concentrated portfolio of high quality, well managed companies at a reasonable price. Characterized by their powerful intangible assets, notably brands and networks, these companies have high and stable returns on operating capital which the team believes can be sustained for the long term. The strategy seeks to generate attractive long-term performance with reduced downside participation in challenging markets.

The Global Quality Strategy is a concentrated, global equity strategy that offers a disciplined approach to investing in a portfolio of what the Adviser believes to be world class companies. The strategy seeks to generate attractive, long-term absolute and relative returns with good potential upside [capture] while retaining a clear focus on reduced downside participation. The strategy uses fundamental analysis and bottom up stock selection to identify companies characterized by resilient, high cross-cycle, unlevered returns on capital, and strong free cash flow generation. The strategy aims to buy these stocks at attractive valuations relative to their cash flow based fundamental analysis. This strategy is also available excluding issuers which invest in, or derive income from, tobacco products.

The Global Sustain Strategy offers a high quality approach to ESG investing with a clearly defined process. The Strategy invests in high-quality companies at reasonable valuations that can sustain their high returns on operating capital over the long term. The Strategy seeks to provide attractive long-term returns with less long-term volatility than the broader market.

Counterpoint Global

The Advantage Strategy seeks long term capital appreciation. To achieve its objective, the investment team seeks high-quality established companies with strong name recognition, sustainable competitive advantages, strong current period free- cash-flow yield and a focus on long-term growth rather than short-

term events, with stock selection informed by rigorous fundamental analysis. This strategy exists on a U.S., international and global basis (e.g., Global Advantage, International Advantage).

The Growth Strategy seeks long term capital appreciation. To achieve its objective, the investment team seeks high-quality, established and emerging companies with sustainable competitive advantages, and focuses on long-term growth rather than short-term events, with stock selection informed by rigorous fundamental analysis. The strategy exists across market capitalizations (e.g., Inception, Discovery, Insight).

The Opportunity Strategy seeks long-term capital appreciation by investing in high-quality established and emerging companies that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team seeks companies with sustainable competitive advantages and long-term growth that creates value, rather than focusing on short-term events, with stock selection informed by rigorous fundamental analysis. This strategy exists on a Global, Regional and Customizable basis.

Global Listed Real Assets

The Global Real Estate Securities Strategy seeks attractive long-term, risk-adjusted returns by investing in publicly traded real estate securities that offer exposure to the direct real estate markets at the best value relative to underlying asset values and growth prospects, primarily in developed countries worldwide. The investment team utilizes proprietary research to drive a long-term, value-oriented, bottom-up driven investment process and also incorporates top-down analyses. This strategy is available on a global, international and regional basis (e.g., U.S., North America, Europe, Asia).

Global Multi-Asset

The Global Tactical Asset Allocation Strategy seeks to achieve total return by investing in a blend of equity and fixed income securities of U.S. and non-U.S. issuers. It is a global macro strategy that seeks to identify and exploit inefficiencies between markets, regions, and sectors to deliver returns in excess of a customized financial benchmark. In seeking to achieve this investment objective, the strategy utilizes global tactical approach to achieving total return, and to control risk and volatility.

Global Balanced Risk Control (GBaR)

The Global Balanced Risk Control (GBaR) Strategy follows a top-down global asset allocation approach, investing in equities, fixed income, commodity-linked investments and cash, within a clearly-defined, risk-controlled framework. It aims to provide capital growth over time, while actively managing total portfolio risk, which is defined in terms of volatility or value-at-risk (VaR).

The Adviser has the following significant Fixed Income Investment Strategies:

Global Fixed Income (includes US and non-US)

The Global Fixed Income Strategy combines a top-down assessment of the global bond universe with rigorous bottom-up fundamental and/or quantitative analysis:

The process begins with a top-down value assessment of the bond universe, including a consideration of macroeconomic conditions, business cycles, and relative valuations. The team seeks first to identify areas where implied market forecasts are out of line relative to historic trends and second, to identify what the catalyst will be for the market to adjust, and for the sector to re-value. From these assessments, the Asset Allocation team sets the broad overall investment direction. Portfolio managers subsequently work with our research analysts to implement these ideas across fixed income portfolios, in accordance with each portfolio's objectives and guidelines.

Macro Analysis: The team seeks to determine which themes are driving asset prices across rates, countries, and currencies and to evaluate the investment opportunity set based on a thematic investment thesis. The top-down process uses a combination of fundamental and quantitative analysis to identify and evaluate these investment opportunities.

Asset Allocation: The primary role of the Asset Allocation team is to identify the key drivers of fixed income markets and to determine the relative attractiveness of each sector of the fixed income market, together with interest rate and currency positions. The team seeks first to identify areas where implied market forecasts are out of line relative to historic trends and second, to identify the catalyst for the market to adjust. Internal debate is a key feature of the team's investment philosophy, ensuring investment ideas are tested thoroughly. The team debates relative value across sectors and recommends broad strategy. The team believe this creates a balanced and complete approach, ensuring that all fixed income asset classes are evaluated. Crucially, the team examines correlations and risks across fixed income markets. Ultimately, the team aims to identify the investments with the best risk/reward profile to implement our investment themes.

Research: Research is conducted by dedicated teams specializing in a particular niche of the fixed income market. The research teams use in-depth fundamental analysis, complemented by quantitative tools, to generate bottom-up investment ideas and are responsible for security selection.

The teams' commitment to research is exemplified by the integration of their research and portfolio management teams, which ensures that their research findings are incorporated in their portfolio management activities. Each of the teams' fixed income investment professionals is a member of one of their research teams covering Credits, Mortgages, Emerging Market Debt, and Macro. The portfolio managers and research analysts interact daily through informal meetings and regularly scheduled formal meetings throughout the week. This provides a robust forum for debate, review and implementation of investment ideas. Research analysts provide support to the portfolio managers, as well as critical input to the investment decision-making process.

Portfolio Construction: Portfolio managers are responsible for implementing the investment strategies. They work to construct each portfolio in a way that conforms to individual client/strategy guidelines and objectives, while staying true to the broad strategy targets that are set by the Asset Allocation team. The portfolio managers achieve these targets by working with the research analysts to fill the sector buckets with bottom-up security selection ideas. This ensures that portfolios are both consistently benefiting from our best investment ideas and adhering to client guidelines and risk/return objectives.

Global

The Global Aggregate Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of multicurrency debt issued by government and non-government issuers. To help achieve this objective, the strategy combines a top-down macroeconomic assessment, with rigorous bottom-up fundamental analysis and active currency management (where appropriate).

The Global Convertible Strategy seeks attractive total returns by investing in convertible bonds issued globally. The strategy is designed to take advantage of the attractive risk/return characteristics of convertible bonds by allowing meaningful participation in equity market growth while attempting to provide downside protection through fixed income.

The Global Credit Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of multi-currency debt issued by corporations and non-government related issuers. To help achieve this objective, the strategy combines a top-down macroeconomic assessment to determine optimal beta positioning for the portfolio with rigorous bottom up fundamental analysis.

The Global Fixed Income Opportunities Strategy seeks attractive total return in any market cycle. The strategy maximizes the benefits of its global approach across all the sub-asset classes in Fixed Income to ensure “best ideas” are included. It focuses on absolute and risk-adjusted return over tracking error and benchmark, investing across currency, credit and interest rate markets. The strategy includes exposures to asset classes such as emerging markets, high yield, ABS/MBS, and convertibles.

The Global High Yield Strategy is an active, value-oriented fixed income strategy that seeks to maximize total returns from income and price appreciation by investing in a globally diversified portfolio of debt issued by corporations and non-government issuers. The strategy utilizes a bottom-up credit intensive approach that looks for relative value opportunities, integrated with top-down macro analysis.

The Global Sovereign Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of multicurrency debt issued by government issuers. To help achieve this objective, the strategy combines a top-down macroeconomic assessment, with rigorous bottom-up fundamental analysis and active currency management (where appropriate).

The Global Buy and Hold Strategy is an unconstrained fixed-income strategy that seeks income generation and price appreciation by investing in the most attractive sectors and a globally diversified portfolio of debt issued from various sectors of the fixed income universe. To help achieve this objective, the strategy combines a top-down proprietary quantitative model (bespoke for B&H portfolios) which screens through a large universe of eligible investments along with rigorous bottom-up fundamental analysis to build a portfolio to meet the criteria of the product.

European

The European Aggregate Core/Core Plus Strategy seeks attractive total returns from income and price appreciation by investing in a diversified portfolio of Government and non-government debt denominated in euro. To achieve this objective, the strategy combines a top down assessment of the macroeconomic conditions to evaluate the government bond universe alongside rigorous bottom-up fundamental analysis in order to assess the non-government fixed income and corporate bonds.

The European Credit Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of primarily euro denominated debt issued by corporations and non-government related issuers. To achieve this objective, the strategy combines a top-down macroeconomic assessment, to determine optimal beta positioning for the portfolio, with rigorous bottom-up fundamental analysis.

The European High Yield Bond Strategy seeks attractive returns through investing in a globally diversified portfolio of primarily high yielding fixed income securities. The team invests mainly in euro- denominated debt issued by corporations that offer a yield above that generally available on investment- grade debt securities. To achieve its objective, the strategy combines a top-down macroeconomic assessment, to determine optimal beta positioning for the portfolio, with rigorous bottom-up fundamental analysis.

The European Strategic Bond Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of government, corporation, and non-government debt denominated in euro and non-euro currencies. To achieve this objective, the strategy combines a top- down assessment of macroeconomic conditions and the corporate bond universe with rigorous bottom-up fundamental analysis. The strategy has a broad investment universe and can purchase securities rated BB- and above.

The European Absolute Return Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of government, corporation, and non-government debt denominated in euro and non-euro currencies. To achieve this objective, the strategy combines a top- down assessment of macroeconomic conditions and the corporate bond universe with rigorous bottom-up fundamental analysis.

Sterling

The Sterling Credit Strategy seeks attractive total returns from income and price appreciation by investing in a globally diversified portfolio of primarily sterling denominated debt issued by corporations and non-government related issuers. To achieve this objective, the fund combines a top- down macroeconomic assessment, to determine optimal beta positioning for the portfolio, with rigorous bottom-up fundamental analysis.

Strategic Income

The Strategic Income Strategy invests in fixed income securities across a spectrum of asset classes including, investment-grade, emerging markets, high yield, ABS/MBS, and convertibles. The Portfolio's unconstrained approach provides the flexibility to allocate across these fixed income sectors and seek the best ideas through bottom-up security selection globally. It focuses on absolute and risk-adjusted return over tracking error and benchmark, investing across currency, credit and interest rate markets. The aim is also to construct a portfolio with less sensitivity to interest rate movements and the potential to capture positive returns across varying interest rate environments.

We engage in the following Alternative Investment strategies:

The core of our investment approach is a research intensive strategy and manager selection process intended to exploit market inefficiencies and other situations outside the mainstream of conventional investing while minimizing risk. Investments managed on a discretionary basis are selected opportunistically and managed dynamically from the complete range of liquid and private market strategies appropriate for each account. The offering documents and/or governing documents and, in applicable cases, the client's investment management agreement provide a fuller description of the types of Underlying Investment Funds in which we cause an account to invest. Our personnel use a wide range of resources to identify attractive Underlying Investment Funds and promising investment strategies for consideration in connection with investments by the accounts. Our main sources of information include contacts with industry executives, established business relationships, and research materials prepared by others.

Fund of Hedge Funds Strategy

Our fund of hedge funds investment process consists of (i) investing in funds managed by Underlying Investment Managers who employ a variety of non-traditional liquid market investment strategies; (ii) investing in certain investment funds managed in a traditional style; and (iii) making secondary market

purchases of Underlying Investment Funds. Non-traditional investment strategies include a wide range of arbitrage (convertible bond, statistical, term structure, merger, mortgage backed security, global bond and capital structure), long-short equities and bonds, convergence, directional trading, distressed securities and options. These strategies allow Underlying Investment Managers the flexibility to use leverage or short-sale positions to take advantage of perceived inefficiencies across capital markets and are referred to as “alternative investment strategies”. “Traditional” investment companies are characterized generally by long-only investments and limits on the use of leverage. Underlying Investment Funds following alternative investment strategies (whether hedged or not) are often described as “hedge funds”. We may also seek to gain investment exposure, on behalf of an account, to certain Underlying Investment Funds or to adjust market or risk exposure by, among other things, entering into derivative transactions such as total return swaps, options and futures. In addition, as part of their investment strategy, certain funds of hedge funds may invest directly in privately held companies or publicly traded companies alongside an Underlying Investment Fund, typically an Underlying Investment Fund in which such fund invests directly.

For certain funds that employ a fund of hedge funds investment strategy we manage a portion of such fund's assets in overlay strategies related to portable alpha applications of its alternative investments. Portable alpha is the process whereby alpha (defined as the return in excess of the risk-free rate) is transported onto a traditional asset class return (such as equities or fixed income) to enhance the return of the monies allocated to the underlying asset class without necessitating an alteration in the investor's asset allocation. For example, we may enter into a total return swap (with an external counterparty) on behalf of the fund for the total return on the S&P 500 Index in exchange for payments of Libor + 50 basis points. The net return to the investor = (Fund of hedge funds return + S&P 500) - (Libor + 50 basis points).

In some situations, an Underlying Investment Manager will agree to accept direct investments from our clients or the clients of our affiliate into an Investment Fund. We provide investment recommendations and/or portfolio construction advisory services focusing on such Investment Funds in arrangements where the clients retain investment discretion. For these client-direct investments, we do not utilize leverage.

Private Markets Fund of Funds

For our Private Market Funds of Funds strategies, consists of three primary investment approaches: primary commitments to Underlying Investment Funds; co-investments, primarily alongside our existing primary Underlying Investment Managers; and secondary market purchases of existing private markets Underlying Investment Funds and other private markets assets. Our Private Markets Fund of Funds strategies may, in some cases, make investments in other Underlying Investment Funds (both on a primary or secondary basis) or Co-Investments, such as illiquid private assets sourced from other alternative investment vehicles and/or publicly traded securities of private markets businesses or fund (“Other Investments”).

The Private Markets Fund of Funds investment process generally consists of making primary or secondary commitments to and co-investing alongside private markets funds managed by Underlying Investment Funds who employ a variety of non-traditional private markets investment strategies, including buyouts, growth capital, venture capital, distressed companies, special situations, mezzanine, real assets, emerging markets and other categories. A Client's investment strategy may focus on one of the aforementioned strategies, or may include a mix of strategies. Certain Clients may also include as a part of their investment strategy a focus on investments in Underlying Investment Funds or Co-investments that are expected to have positive social and/or environmental impact.

Portfolio Solutions Group

The Portfolio Solutions Group ("PSG") has developed proprietary approaches for measuring the risk and return of alternative investments and incorporating them within a broader portfolio. PSG designs and manages highly customized multi-asset investment portfolios and advises its clients on all aspects of portfolio construction, including: (i) analyzing manager performance (both hedge funds and traditional managers); (ii) creating strategic portfolios that include equities, fixed income, alternative investments; and (iii) developing commitment strategies for private equity and real estate investments and portfolio transition plans.

Risk Considerations

All investing and trading activities risk the loss of capital. Although we will attempt to moderate these risks, no assurance can be given that the investment activities of an account or fund we advise will achieve the investment objectives of such account or fund or avoid losses. Direct and indirect investing in securities involves risk of loss that you should be prepared to bear.

Set forth below are some of the material risk factors that are often associated with the types of investment strategies and techniques and types of securities relevant to many of our clients. The information included in this Brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. Clients are urged to ask questions regarding risks applicable to a particular strategy or investment product, read all product-specific risk disclosures and consult with their own legal, tax and financial advisors to determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

- **Risk Considerations Associated with Investing- In General.** The following is a non-exhaustive description of risks associated with investments generally and/or may apply to one or more type of security or investment technique.

- **General Economic and Market Risks.** The success of an account's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, pandemics, epidemics (e.g. COVID-19) changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the account's investments. Unexpected volatility or lack of liquidity, such as the general market conditions that have prevailed recently, could impair the account'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.

Coronavirus and Public Health Emergencies. As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." 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. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

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 have a significant adverse impact on the portfolios we manage and could adversely affect our ability to fulfill the investment objectives of the investment vehicles we manage.

The extent of the impact of any public health emergency on a Fund's and its investments', operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the scope of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, 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. The effects of a public health emergency may materially and adversely impact the value and performance of Fund's ability to source, manage and divest investments and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund. In addition, the operations of a Fund, its portfolio companies portfolio entities, and the Adviser 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 or the personnel of any such entity's key service providers.

- **Volatility Risks.** The prices of commodities contracts and all derivatives, including futures and options, can be highly volatile. Accounts and Underlying Investment Funds that trade in commodities contracts and derivatives are subject to the risk that trading activity in such securities may be dramatically reduced or cease at any time, whether due to general market turmoil, problems experienced by a single issuer or a market sector or other factors. If trading in particular securities or classes of securities is impaired, it may be difficult for an account or Underlying Investment Fund to properly value any of its assets represented by such securities.
- **Inadequate Return Risk.** No assurance can be given that the returns will be commensurate with the risk of your investment. You should not commit money to an account unless you have the resources to sustain the loss of your entire investment. Any losses are borne solely by you and not by us or our affiliates.
- **Inside Information Risk.** From time to time, we may come into possession of material, non- public information concerning an entity in which an account has invested, or proposes to invest. Possession of that information may limit our ability to buy or sell securities of the entity on your behalf.
- **Principal Investment Activities.** Morgan Stanley generally invests directly in private equity and real estate private equity through other divisions. As a consequence, other than co-investments made by certain accounts alongside those private equity or private equity real estate fund managers into whose funds an investment team has invested on a primary basis, not every direct private equity or private equity real estate investment that meets an account's investment objectives may be made available to our accounts.

- **Cyber Security-Related Risks.** We are 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 we and our service providers, if applicable, use to service our client accounts; or operational disruption or failures in the physical infrastructure or operating systems that support us or our service providers, if applicable. Cyber-attacks against, or security breakdowns, of us or our service providers, if applicable, may adversely impact us and our clients, potentially resulting in, among other things, financial losses; our inability to transact business on behalf of our clients; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. We may incur additional costs related to cyber security risk management and remediation. In addition, cyber security risks may also impact issuers of securities in which we invest on behalf of our clients, which may cause our clients' investment in such issuers to lose value. There can be no assurance that we or our service providers, if applicable, will not suffer losses relating to cyber-attacks or other information security breaches in the future. While we have established business continuity and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems.
- **Legal and Regulatory Risks.**

 - The regulation of the U.S. and non-U.S. securities and futures markets has undergone substantial change over the past decade and such change may continue. In particular, in light of market turmoil there have been numerous proposals, including bills that have been introduced in the U.S. Congress, for substantial revisions to the regulation of financial institutions generally. In addition, regulatory change in the past few years has significantly altered the regulation of commodity interests and comprehensively regulated the OTC derivatives markets for the first time in the United States. Further, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions may be promulgated at any time. Such restrictions may adversely affect the returns of accounts and Underlying Investment Funds that utilize short selling. The effect of such regulatory change on the accounts and/or the Underlying Investment Funds, while impossible to predict, could be substantial and adverse.
 - Section 619 of the Dodd-Frank Act (commonly referred to as the "Volcker Rule"), along with regulations issued by the Federal Reserve and other U.S. federal financial regulators ("Implementing Regulations"), generally prohibit "banking entities" (which term includes bank holding companies and their affiliates) from investing in, sponsoring, or having certain types of relationships with, private equity funds or hedge funds (referred to in the Implementing Regulations as "covered funds"). Banking entities (including Morgan Stanley and its affiliates) were required to bring their activities and investments into conformance with the Volcker Rule by July 21, 2015, subject to certain extensions granted by the U.S. Federal Reserve that allow Morgan Stanley and its affiliates until July 21, 2022 at the latest to bring certain of their covered fund activities and investments into compliance with certain aspects of the Volcker Rule.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect us, a covered fund offered by us, the general partner of those funds, and the limited partners of such funds. For example, to sponsor and invest in certain covered funds, Morgan Stanley must comply with the Implementing Regulations' "asset management" exemption to the Volcker Rule's prohibition on sponsoring and investing in covered funds. Under this exemption, investments made by Morgan Stanley (aggregated with certain affiliate and employee investments) in a covered fund must not exceed 3% of the covered fund's outstanding ownership interests, and Morgan Stanley's aggregate investment in covered funds must not exceed 3% of Morgan Stanley's Tier 1 capital. In addition, the Volcker Rule and the Implementing Regulations prohibit Morgan Stanley and its affiliates from entering into certain other transactions (including "covered transactions" as defined in Section 23A of the U.S. Federal Reserve Act, as amended) with or for the benefit of, covered funds that it sponsors or advises. For example, Morgan Stanley may not provide loans, hedging transactions with extensions of credit or other credit support to covered funds it advises. While we endeavor to minimize the impact on our covered funds and the assets held by them, Morgan Stanley's interests in determining what actions to take in complying with the Volcker Rule and the Implementing Regulations may conflict with our interests and the interests of the private funds, the general partner and the limited partners of the private funds, all of which may be adversely affected by such actions. The foregoing is not an exhaustive discussion of the potential risks the Volcker Rule poses for us.

- Departure of the United Kingdom (UK) from the European Union (EU). On 31 January 2020, the UK left the European Union. Under the terms of the Withdrawal Agreement between the UK and the EU, a transition period will apply until 31 December 2020, unless extended by mutual agreement, under which the UK will continue to be subject to EU laws and regulations and will continue to have access to the EU single market. The UK and EU intend to put in place a trade agreement before the end of the transition period to regulate the future relationship and flows of goods and services between them. There is no guarantee and an agreement will be reached by this date or at all. If no agreement is reached and there is no extension of the transition period, the UK would exit the transition period with no formalized trading terms with the EU. This would lead to a "hard" exit under which the UK would trade with the EU on World Trade Organization terms.

- Accounts and pooled investment vehicles advised by MSIM, as well as the Underlying Investment Funds, may make investments in the UK (before and after the end of the transition period), other EU member states and in non-EU countries that are directly or indirectly affected by the exit of the UK from the EU and the end of the transition period. Adverse legal, regulatory or economic conditions affecting the economies of the countries in which an MSIM client conducts its business (including making investments) and any corresponding deterioration in global macro- economic conditions could have a material adverse effect on the MSIM client's prospects and/or returns. Potential consequences to which an MSIM client may be exposed, directly or indirectly, as a result of the UK leaving the EU include, but are not limited to, reduced access to EU markets, market dislocations, economic and financial instability in the UK and other EU member states, increased volatility and reduced liquidity in financial markets, reduced availability of capital, an adverse effect on investor and market sentiment, Sterling and Euro destabilization, reduced deal flow in the MSIM client's target markets, increased counterparty risk and regulatory, legal and compliance uncertainties. Any of the foregoing or similar risks could have a material adverse effect on the operations, financial condition, returns, or prospects of the MSIM client, MSIM and/or sub-advisers, if any, in general. The effects on the UK, European and global economies of the exit of the UK (and/or other EU member states during the term of the MSIM client) from the EU, or the exit of other EU member states from the European monetary area and/or the redenomination of financial instruments from the Euro to a different currency, are impossible to predict and to protect fully against.
- **Risk Considerations Associated with Particular Markets, Investment Techniques and Strategies.** The following provides information on risks associated with certain types of investment techniques that may be used by accounts, pooled investment vehicles we advise and Underlying Investment Funds. Although risks have been grouped into categories based on type of technique, it is possible that risks within a particular category will apply to techniques in other categories. Additional information is available upon request. Investors in pooled investment vehicles and funds-of-funds should review the prospectuses, offering memoranda and constituent documents for additional information relating to the risk associated with investments in those pooled investment vehicles and funds-of-funds, respectively.
- **Foreign and Emerging Market Securities Risks.** Investments in foreign markets entail special risks such as currency, political, economic and market risks. There also may be greater market volatility, less reliable financial information, higher transaction and custody costs, decreased market liquidity and less government and exchange regulation associated with investments in foreign markets. The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. In addition, an investment by an account or Underlying Investment Fund may be denominated in foreign currencies and therefore, changes in the value of a country's currency compared to the U.S. dollar may affect the value of an account's investments.

- **Growth Investing Risks.** Growth investing attempts to identify companies that we believe will experience rapid earnings growth relative to value or other types of stocks. Growth stocks may trade at higher multiples of current earnings compared to value or other stocks, leading to inflated prices and thus potentially greater declines in value. The performance of growth strategies may be better or worse than the performance of equity strategies that focus on value stocks or that have a broader investment style.
- **Control Position Risks.** Certain accounts may directly, or indirectly through Underlying Investment Funds, take control positions in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability. If such liabilities were to arise, such Underlying Investment Fund would likely suffer a loss, which may be complete, on its investment.
- **Hedging Strategy Risks.** Certain client accounts, pooled investment vehicles, and Underlying Investment Funds may choose, but are not required, to engage in transactions designed to reduce the risk or to protect the value of their investments, including securities and currency hedging transactions. These hedging strategies could involve a variety of derivative transactions, including transactions in forward, swap and option contracts or other financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, options and short sales (collectively “Hedging Instruments”). Certain risks associated with Hedging Instruments are further detailed below under “Risk Considerations Associated with Security Types - Derivatives Risks”. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions’ value. While these transactions may reduce the risks associated with an investment by the account or the Underlying Investment Funds, the transactions themselves entail risks that are different from those of the investments of the accounts or Underlying Investment Funds. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the accounts and Underlying Investment Funds may benefit from the use of Hedging Instruments, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the accounts and Underlying Investment Funds than if they had not used such Hedging Instruments.
- **Short Sale Risks.** In a short sale transaction, an account sells a borrowed security in anticipation of a decline in the market value of that security. If we incorrectly predict that the price of a borrowed security will decline, an account may lose money. Losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases can equal only the total amount invested.

- **Small Capitalization Company Investment Risks.** Investments in small cap companies entail greater risks than those associated with larger, more established companies. Often the securities issued by small cap companies may be less liquid, and such companies may have more limited markets, financial resources and product lines, and may lack the depth of management of larger companies.
- **Venture Capital Investment Risks.** Certain accounts may directly, or indirectly through Underlying Investment Funds, make venture capital investments. Such investments involve a high degree of business and financial risk that can result in substantial losses. The most significant risks are the risks associated with investments in: (i) companies in an early stage of development or with little or no operating history; (ii) companies operating at a loss or with substantial fluctuations in operating results from period to period; and (iii) companies with the need for substantial additional capital to support or to achieve a competitive position.
- **Special Situations Investment Risks.** Certain of the companies in whose securities an account or the Underlying Investment Funds may invest may be involved in (or are the target of) acquisition attempts or tender offers, in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation. These characteristics of these companies can cause their securities to be particularly risky, although they also may offer the potential for high returns. Additionally, these types of transactions may present the risk that the transaction will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price. These companies' securities may be considered speculative, and the ability of the companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within the companies. An investment by an account or an Underlying Investment Fund in any instrument is subject to no minimum credit standard and a significant portion of the obligations and preferred stock in which an account or Underlying Investment Fund may invest may be less than investment grade (commonly referred to as junk bonds), which may result in greater risks experienced by the account or Underlying Investment Fund, as applicable, than it would if investing in higher rated instruments.
- **Buy-Out Transaction Risks.** Certain accounts may invest directly or indirectly through Underlying Investment Funds, in leveraged buyouts that by their nature require companies to undertake a high ratio of leverage to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses.

- **Model Risk.** Some strategies may include the use of various proprietary quantitative or investment models. There may be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected using models may perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based on historical data regarding particular asset classes. Certain strategies can be dynamic and unpredictable, and a model used to estimate asset allocation may not yield an accurate estimate of the then current allocation. Operation of a model may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. Additionally, commonality of holdings across quantitative money managers may amplify losses. There is no guarantee that the use of these models will result in effective investment decisions for clients.
- **Asset allocation strategies, including Global Balanced Risk Control.** Asset allocation strategies provide the investment manager with wide discretion to allocate between different asset classes. From time to time, asset allocation accounts may have significant exposure to a single or limited number of fixed income or equity asset classes. Accordingly, the relative relevance of the risks associated with equity securities, debt securities and derivatives will fluctuate over time.
- **Risk Considerations Associated with Equity Securities – In General.** In general, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors, including events that affect particular issuers as well as events that affect entire financial markets or industries. To the extent that an account invests in convertible securities, and the convertible security's investment value is greater than its conversion value, its price will be likely to increase when interest rates fall and decrease when interest rates rise. If the conversion value exceeds the investment value, the price of the convertible security will tend to fluctuate directly with the price of the underlying equity security.
- **Risk Considerations Associated with Fixed Income Securities – In General.** The prices of fixed income securities respond to economic developments, particularly interest rate changes, changes in the general level of spreads between U.S. Treasury and non-Treasury securities, and changes in the actual or perceived creditworthiness of the issuer of the fixed income security. Securities with longer durations are likely to be more sensitive to changes in interest rates, generally making them more volatile than securities with shorter durations. The historically low interest rate environment increases the risk associated with rising rates, including the potential for periods of volatility. There may be a heightened level of risk, especially since the Federal Reserve Board has ended its quantitative easing and may begin to raise rates.

All fixed-income securities are subject to two types of risk: credit risk and interest rate risk. Credit risk refers to the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Because the account is not limited as to the maturities of the fixed-income securities in which it may invest, a rise in the general level of interest rates may cause the price of the account's portfolio securities to fall substantially. In addition, a portion of the account's securities may be rated below investment grade, commonly known as "junk bonds," and may have speculative risk characteristics.

- **Risk Considerations Associated with Security Types.** The following provides information on risks associated with certain types of securities that may be invested in by accounts, pooled investment vehicles that we advise and Underlying Investment Funds. Although risks have been grouped into categories based on type of security, it is possible risks within a particular category will apply to securities in other categories. Additional information is available upon request. Investors in pooled investment vehicles and funds-of-funds should review the prospectuses, offering memoranda and constituent documents for additional information relating to the risk associated with investments in those pooled investment vehicles and funds-of-funds, respectively.
- **High Yield Securities/ Lower Rated Fixed Income Securities ("Junk Bonds") Risks.** An account's investments in high yield securities expose it to a substantial degree of credit risk. High yield securities may be issued by companies that are restructuring, are smaller and less creditworthy or are more highly indebted than other companies, and therefore they may have more difficulty making scheduled payments of principal and interest. High yield securities may experience reduced liquidity, and sudden and substantial decreases in price. The prices of these securities are likely to be more sensitive to adverse economic changes, resulting in increased volatility of market prices of these securities during periods of economic uncertainty, or adverse individual corporate developments, than higher rated securities. In addition, during an economic downturn or substantial period of rising interest rates, junk bond issuers and, in particular, highly leveraged issuers may experience financial stress.
- **Municipal Securities Risks.** Municipal obligations may be general obligations or revenue bonds and may include Build America Bonds. General obligation bonds are secured by the issuer's full faith and credit as well as its taxing power for payment of principal or interest. Revenue bonds are payable solely from the revenues derived from a specified revenue source, and therefore involve the risk that the revenues so derived will not be sufficient to meet interest and or principal payment obligations. Municipal securities involve the risk that an issuer may call securities for redemption, which could force the account to reinvest the proceeds at a lower rate of interest.

- **Derivatives Risks.** A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument, risks of default by the other party to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, currencies, indices or interest rates to which they relate and risks that the instruments may not be liquid and could be difficult to value. Certain derivative transactions may give rise to a form of leverage. Leverage magnifies the potential for gain and the risk of loss. Derivative instruments include, but are not limited to futures, swaps, options and structured investments. In addition, Derivatives entered into by an account or Underlying Investment Fund can be volatile and involve various types and degrees of risk, depending upon the characteristics of a particular derivative and the portfolio of the account or Underlying Investment Fund. If an account or an Underlying Investment Fund invests in derivatives at an inopportune time or incorrectly judges market conditions, the investments may lower the return of the account or Underlying Investment Fund or result in a loss. An account or an Underlying Investment Fund also could experience losses if derivatives are poorly correlated with its other investments, or if the account or Underlying Investment Fund is unable to liquidate the position because of an illiquid secondary market.
- **Asset-Backed Securities Risks (Generally).** Asset-backed securities are subject to the risk that consumer laws, legal factors or economic and market factors may result in the collateral backing the securities being insufficient to support payment on the securities. Some asset-backed securities also entail prepayment risk, which may vary depending on the type of asset.
- **Mortgage-Backed Securities.** Mortgage-backed securities entail prepayment risk, which generally increases during a period of falling interest rates. Certain mortgage-backed securities may be more volatile and less liquid than other traditional types of debt securities. In addition, an unexpectedly high rate of defaults on the mortgages held by a mortgage pool may adversely affect the value of a mortgage-backed security and could result in losses to the account. The risk of such defaults is generally higher in the case of mortgage pools that include subprime mortgages. Leverage may cause an account to be more volatile than if an account had not been leveraged.
- **Collateralized Mortgage Obligations (“CMOs”) Risks.** CMOs are comprised of various tranches, the expected cash flows on which have varying degrees of predictability as compared with the underlying mortgage assets. The less predictable the cash flow, the higher the yield and the greater the risk. In addition, if the collateral securing CMOs or any third party guarantees are insufficient to make payments, an account could sustain a loss.
- **U.S. Government Securities Risks.** With respect to U.S. government securities that are not backed by the full faith and credit of the U.S. Government, there is the risk that the U.S. Government will not provide financial support to such U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law.

- **Bank Obligation Risks.** The activities of U.S. banks, including Morgan Stanley, and most foreign banks, are subject to comprehensive regulations. The enactment of new legislation or regulations, as well as changes in interpretation and enforcement of current laws, may affect the manner of operations and profitability of domestic and foreign banks. In addition, banks, including Morgan Stanley, may be particularly susceptible to certain economic factors.
- **Bank Loan Risks.** Bank loans are subject to the risk of default. Default in the payment of interest or principal on a loan will result in a reduction of income to the account, a reduction in the value of the loan, and a potential decrease in the account's balance. The risk of default will increase in the event of an economic downturn or a substantial increase in interest rates. Bank loans are subject to the risk that the cash flow of the borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments. As discussed above, however, because bank loans reside higher in the capital structure than high yield bonds, default losses have been historically lower in the bank loan market. Bank loans that are rated below investment grade share the same risks of other below investment grade securities
- **Repurchase Agreement Risks.** Repurchase agreements are subject to risks associated with the possibility of default by the seller at a time when the collateral has declined in value, or insolvency of the seller, which may affect an account's right to control the collateral.
- **Reverse Repurchase Agreements Risks.** Reverse repurchase agreements involve a sale of a security by the Fund to a bank or securities dealer and the Fund's simultaneous agreement to repurchase the security for a fixed price (reflecting a market rate of interest) on a specific date. These transactions involve a risk that the other party to a reverse repurchase agreement will be unable or unwilling to complete the transaction as scheduled, which may result in losses to the Fund. Reverse repurchase transactions are a form of leverage that may also increase the volatility of the Fund's investment portfolio.
- **ETF Risk.** Shares of ETFs have many of the same risks as direct investments in common stocks or bonds and their market value is expected to rise and fall as the value of the underlying securities or index rises and falls. As a shareholder in an ETF, a Portfolio would bear its ratable share of that entity's expenses while continuing to pay its own investment management fees and other expenses. As a result, the account or the fund and its shareholders will, in effect, be absorbing duplicate levels of fees.
- **Foreign Money Market Securities Risks.** Investing in money market securities of foreign issuers involves some risks additional to those involved in investing in comparable US money market securities, including higher cost of investing and the possibility of adverse political,

economic or other developments affecting the issuers of these securities.

- **Privately Placed and Restricted Securities Risks.** An account's investments may also include privately placed securities, which are subject to resale restrictions. It is likely that such securities will not be listed on a stock exchange or traded in the OTC market. These securities will have the effect of increasing the level of an account's illiquidity to the extent the account may be unable to sell or transfer these securities due to restrictions on transfers or on the ability to find buyers interested in purchasing the securities. The illiquidity of the market, as well as the lack of publicly available information regarding these securities, may also adversely affect the ability to arrive at a fair value for certain securities at certain times and could make it difficult for the account to sell certain securities (or to sell such securities at the prices at which they are currently held). Furthermore, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that might be applicable if their securities were publicly traded and/or listed on a stock exchange. An account may be obligated to pay all or part of the legal and/or other fees incurred in negotiating the purchase and or sale of a private placement security. When registration is required to sell a security, an account may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the account may be permitted to sell a security under an effective registration statement. If adverse market conditions developed during this period, an account might obtain a less favorable price than the price that prevailed when the account decided to sell.
- **REITs, Real Estate Operating Companies ("REOCs") and Foreign Real Estate Company Risks.** Investing in REITs, REOCs and foreign real estate companies exposes investors to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which REITs, REOCs and foreign real estate companies are organized and operated. In addition, investments in REITs and similar non-U.S. entities may involve duplication of management fees and certain other expenses. REITs are also subject to certain provisions under federal tax law and the failure of a company to qualify as a REIT could have adverse consequences for a portfolio. In addition, foreign real estate companies may be subject to the laws, rules and regulations governing those entities and their failure to comply with those laws, rules and regulations could negatively impact the performance of those entities.

Risk Considerations Associated with Underlying Investment Funds

- Certain of the Underlying Investment Funds are not registered as investment companies under the Investment Company Act of 1940, as amended (the “1940 Act”). Investors in the Underlying Investment Funds do not have the benefit of the protections afforded by the 1940 Act to investors in registered investment companies. In addition, the investment managers of the Underlying Investment Funds may not be registered as investment advisers under the Advisers Act. Although we periodically receive information from each Underlying Investment Fund regarding its investment performance and investment strategy, we may have little or no means of independently verifying this information. An Underlying Investment Fund may use proprietary investment strategies that are not fully disclosed to us, which may involve risks under some market conditions that are not anticipated by us. Underlying Investment Managers may change their investment strategies (i.e., may experience style drift) at any time. In addition, we have no direct control over any Underlying Investment Funds’ investment management, brokerage, custodial arrangements or operations and must rely on the experience and competency of the Investment Manager in these areas. The performance of our funds depends on our success in selecting Underlying Investment Funds for investment by the Funds and the allocation and reallocation of assets among those Underlying Investment Funds.

The Underlying Investment Funds typically do not maintain their securities and other assets in the custody of a bank or a member of a securities exchange, as generally required of registered investment companies. It is anticipated that the Underlying Investment Funds in which the Funds invest generally will maintain custody of their assets with brokerage firms that do not separately segregate such customer assets as required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm could have a greater adverse effect on the funds than would be the case if custody of assets were maintained in accordance with the requirements applicable to registered investment companies. There is also a risk that an Investment Manager could convert assets committed or paid to it by the Funds for its own use or that a custodian could convert assets committed to it by an Investment Manager to its own use.

Each Investment Manager may receive any incentive-based fees to which it is entitled irrespective of the performance of the other Underlying Investment Funds and a fund generally. As a result, an Investment Manager with positive performance may receive compensation from the fund, in the form of the asset-based fees, incentive-based fees and other expenses payable by you as an investor in the relevant Investment Fund, even if the fund's overall returns are negative. The investment decisions of the Underlying Investment Funds are made by the Underlying Investment Managers independently of each other so that, at any particular time, one Investment Fund may be purchasing shares in an issuer that at the same time are being sold by another Investment Fund. Transactions of this sort could result in an account directly or indirectly incurring certain transaction costs without accomplishing any net investment result, which may result in the pursuit of opposing investment strategies or result in performance that correlates more closely with broader market performances. Because an account may make additional investments in or redemptions from Underlying Investment Funds only at certain times according to limitations set out in the governing documents of each such fund, an account from time to time may have to invest some of its assets temporarily in money market securities or money market funds, among other similar types of investments.

Underlying Investment Funds may permit or require that redemptions of interests be made in kind. Upon its redemption of all or a portion of its interest in an Investment Fund, an account may receive securities that are illiquid or difficult to value. In such a case, we would seek to cause the account to dispose of these securities in a manner that is in the best interest of the account. An account may not be able to withdraw from an Investment Fund except at certain designated times (if at all), limiting our ability to redeem assets from an Investment Fund that may have poor performance or for other reasons.

- By investing in the Underlying Investment Funds indirectly through the accounts, you bear asset-based fees and performance-based fees or allocations at the Underlying Investment Fund level, in addition to those payable to us in our capacity as investment adviser to each account. Similarly, you bear a proportionate share of the other operating expenses of (i) the Underlying Investment Funds in which the accounts are invested; and (ii) of the accounts themselves. If you meet the conditions imposed by the Underlying Investment Managers, you could invest directly with such Underlying Investment Managers.

Private Equity Real Assets Generally

- **Real Estate Market Conditions Risk.** Some of the Underlying Investment Funds' real estate investment strategies may be based, in part, upon the premise that real estate businesses and assets will become available for purchase by such Underlying Investment Fund at prices that the investment manager of the Underlying Investment Fund considers more favorable. Further, the strategy of certain Underlying Investment Funds for its real estate investments may rely, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or, in some circumstances, a recovery or improvement in market conditions over the projected holding period for the real estate investments. No assurance can be given that real estate investments can be acquired or disposed of at favorable prices or that the market for such investments will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the managers of the Underlying Investment Funds.
- **Acquisition and Development Risk.** Acquisitions entail risks that investments may not perform in accordance with expectations and that anticipated costs of improvements to bring an acquired property up to the necessary standard for the market position intended for that property may exceed budgeted amounts, as well as general investment risks associated with any new real estate investment. Certain Underlying Investment Funds may not be successful in identifying suitable real estate properties or other assets that meet their investment criteria or in consummating acquisitions or investments on satisfactory terms.
- **Effecting Operating Improvements Risk.** In some cases, the success of an Underlying Investment Fund's real estate investment strategy will depend, in part, on the ability of such Underlying Investment Fund to restructure and effect improvements in the operations of a portfolio company or its properties. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that such Underlying Investment Fund will be able to successfully identify and implement such restructuring programs and improvements.
- **Commercial/Business Risk.** It is anticipated that certain of our private equity real estate fund of funds will make investments in some Underlying Investment Funds, including MII, that have a limited operating history, a manager with limited private equity real estate fund management experience, or both. Such investments have inherently greater risk than more established private equity real estate funds. Accordingly, the growth of these Underlying Investment Funds may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the accounts will be successful.
- **Ability of Underlying Funds to Finance, Consummate and Dispose of Investment Risk.** The Underlying Investment Funds' ability to generate attractive investment returns for their investors may be adversely affected to the extent the Underlying Investment Funds are unable to obtain favorable financing terms for their real estate investments and may also affect certain of our accounts' and the Underlying

Investment Funds' ability to exit the investment. Certain marketplace events may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the global economies. Certain economic downturns could adversely affect the financial resources of corporate borrowers in which the Underlying Investment Funds have invested, in addition to the resources of operating partners and investment projects in which the Underlying Investment Funds participate, and result in the inability of such borrowers, partners and projects to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Underlying Investment Funds may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on the Underlying Investment Funds' and of the accounts' returns. Such marketplace events also may restrict the ability of the Underlying Investment Funds to sell or liquidate real estate investments at favorable times or for favorable prices.

ITEM 9 DISCIPLINARY INFORMATION

The Adviser has no information applicable to this Item.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MSIM Ltd is an indirect subsidiary of Morgan Stanley ("Morgan Stanley Parent"), a corporation whose shares are publicly held and traded on the New York Stock Exchange under the symbol "MS". Morgan Stanley Parent is a financial holding company under the Bank Holding Company Act of 1956, as amended. As a result, MSIM Ltd is part of a large global financial services and banking group that may have relationships with MSIM Ltd.'s clients beyond investment advisory services. These relationships can cause conflicts of interest.

Broker-Dealer Affiliates:

MSIM Ltd is affiliated with Morgan Stanley & Co. LLC ("MS&Co."), Morgan Stanley Smith Barney LLC ("MSSB"), Morgan Stanley Distribution Inc., and Prime Dealer Services Corp., each a registered broker dealer under the Securities Exchange Act of 1934, as amended ("34 Act"). MSIM Ltd is also affiliated with foreign broker-dealers and financial services companies, including Morgan Stanley & Co. International PLC, Morgan Stanley MUFG Securities Co., Ltd., Morgan Stanley India Company Private Ltd., and Block Interest Discovery System (BIDS) (hereinafter, together with affiliated broker dealers registered under the 34 Act, collectively referred to as "Affiliated Broker Dealers").

When permitted by applicable law and subject to the considerations set forth in Item 12, "Brokerage Practices" below, MSIM Ltd utilizes Affiliated Broker-Dealers to effect portfolio securities, currency exchange, futures and other transactions for MSIM Ltd.'s managed accounts. The "Participation or Interest in Client Transactions" subsection in Item 11 "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" describes in greater detail the manner in which the MSIM Ltd utilizes Affiliated Broker-Dealers to effect client transactions and conflicts of interest that can arise.

Morgan Stanley Investment Management Inc. ("MSIM") is the parent company of Morgan Stanley Distribution Inc., a registered broker-dealer under the Securities Exchange Act of 1934 (the "Act").

Morgan Stanley Distribution, Inc. serves as distributor, placement agent and/or underwriter for certain registered and unregistered investment companies for which MSIM Ltd acts as investment adviser.

MSIM Ltd is the investment adviser of the Morgan Stanley Investment Funds a Societe d'Investissement a Capital Variable ("SICAV"). Morgan Stanley Investment Management Inc. ("MSIM"), an affiliate of Registrant and registered adviser acts as sub-adviser to certain sub-funds of the Morgan Stanley Investment Funds.

Investment Adviser Affiliates:

MSIM Ltd is part of a group of investment advisers within the Morgan Stanley Investment Management business, including: (1) Mesa West Capital, LLC.; (2) Morgan Stanley Investment Management Inc.; (3) Morgan Stanley Investment Management Company; (4) Morgan Stanley AIP GP LP; (5) Morgan Stanley Infrastructure, Inc.; (6) Morgan Stanley Private Equity Asia, Inc.; (7) MS Capital Partners Adviser, Inc.; (8) Morgan Stanley Real Estate Advisor, Inc.; (9) MSREF Real Estate Advisor, Inc.; (10) MSREF V, LLC; and (11) MSRESS III Manager, LLC (together, "Affiliated Advisers").

Certain employees of Morgan Stanley may perform functions for MSIM Ltd and Affiliated Advisers ("dual officers") and may be involved in the investment decision making process of accounts managed by an Affiliated Adviser as well as accounts managed by the MSIM Ltd. Procedures have been put in place to provide for the supervision of these employees and compliance with record keeping and other requirements under the Advisers Act in connection with these employees.

From time to time and with prior client consent, MSIM Ltd delegates some or all of its responsibilities, duties and authority under an investment management agreement to one or more of its Affiliated Advisers to the extent permitted by applicable law. MSIM Ltd.'s affiliated advisers may likewise delegate some or all of their responsibilities, duties and authority to MSIM Ltd.

From time to time, MSIM Ltd may provide investment advice to clients of U.S. Affiliated Advisers pursuant to a delegation or sub-advisory agreement, as applicable, between MSIM Ltd and the relevant U.S. Affiliated Adviser.

Certain of MSIM Ltd.'s affiliates are commodity pool operators and/or commodity trading advisers.

MSIM Ltd and certain of our affiliates also act as sub-adviser to registered investment companies which are not sponsored by us in addition to serving as adviser or sub-adviser to off-shore funds, group trusts, limited partnerships and limited liability companies, among others, that are sponsored by our affiliates.

In certain instances MSIM Ltd or our related persons act as general partner or special limited partner of a limited partnership or managing member or special member of a limited liability company to which we serve as adviser or sub-adviser and in which our clients have been solicited to invest. In some cases, the general partner of a limited partnership is entitled to receive an incentive allocation from a partnership.

Along with Morgan Stanley, we 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 franchise committees, for potentially significant conflicts that cannot be resolved by the conflict management officers or that otherwise require senior management review. MSIM Ltd has additionally in place a Board delegated Conflicts Committee (Chaired by the entity's conflicts management officer). The Committee's role is to identify and decide upon local conflicts matters and escalate and report to the Board accordingly. Where appropriate the MSIM group wide Franchise and Conflicts Committee will also be consulted to ensure that the local entity remains consistent with the group wide strategy on management of conflicts.

Electronic Communications Networks and Alternative Trading Systems

MSIM Ltd.'s affiliates have ownership interests in and/or Board seats on electronic communication networks ("ECNs") or other alternative trading systems ("ATs"). In certain instances our affiliates may be deemed to control one or more of such ECNs or ATs based on the level of such ownership interests and whether such affiliates are represented on the Board of such ECNs or ATs. Consistent with our fiduciary obligation to seek best execution, we may, from time to time, directly or indirectly, effect client trades through ECNs or other ATs in which our affiliates have or may acquire an interest or Board seat. These affiliates may receive an indirect economic benefit based upon their ownership in the ECNs or other ATs. We will, directly or indirectly, execute through an ECN or other ATs in which an affiliate has an interest only in situations where we or the broker dealer through whom we are accessing the ECN or ATs reasonably believes such transaction will be in the best interest of its clients and the requirements of applicable law have been satisfied. Our affiliates may own over 5% of the outstanding voting securities and/or have a member on the Board of certain trading systems (or their parent companies), including (i) the entities that own and control the Block Interest Discovery Service (commonly referred to as "BIDS"), (ii) Turquoise Global Holdings Ltd., (iii) MEMX Holdings (iv) OTC Deriv Limited, Creditderiv Limited, (vi) Equilend, (vii) Chi-X Global Holdings LLC (CXG), (viii) FXGLOBALCLEAR, (ix) EOS Precious Metals Limited. Our affiliates may acquire interests in and/or take Board seats on other ECNs or other ATs (or increase ownership in the ATs's listed above) in the future

Our affiliates receive cash credits from certain ECNs and ATSs for certain orders that provide liquidity to their books. Such ECNs and ATSs may also charge explicit fees for orders that extract liquidity from their books. From time to time, the amount of credits that our affiliates receive from one or more ECN or ATS may exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow.

Miscellaneous

MSIM Ltd outsources certain operations functions to State Street Bank and Trust Company (“State Street”). State Street now provides a full range of investment operations outsourcing services including trade settlement, portfolio administration and reporting, and reconciliation services. The agreement with State Street demonstrates our continued commitment to delivering best-in-class service to our clients, while allowing us to concentrate on our core competency: institutional asset management.

Additional information about conflicts that may be caused by these affiliations is provided in response to Items 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” and 12, “Brokerage Practices” of this Brochure.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

MSIM Ltd has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. Each employee 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 MSIM Ltd.'s employees are conducted in accordance with the highest possible standards and to prevent abuse, or even the appearance of abuse, by employees with respect to their personal trading and other business activities.

Additionally, all MSIM Ltd employees are subject to firm-wide policies and procedures found in the Morgan Stanley Code of Conduct (the "Code of Conduct") that sets forth, among other things, restrictions regarding confidential and proprietary information, information barriers, information security, privacy and data protection, private investments, outside business interests and personal trading. All Morgan Stanley employees, including MSIM Ltd employees are required to acknowledge that they have read, understand, are in compliance with and agree to abide by the Code of Conduct's terms as a condition of continued employment.

The Code requires all employees to pre-clear trades for covered securities, as defined under the Code, in a personal account. A pre-clearance request generally will be denied if there is an open order for a client in the same security. The Code also imposes holding periods and reporting requirements for covered securities, which includes affiliated and sub-advised U.S. mutual funds. MSIM Ltd employees are prohibited from acquiring any security in an initial public offering or any other public underwriting. Investments in private placements or an employee's participation in an outside business activity must be pre-approved by Compliance and the employee's manager. Certain employees of MSIM Ltd who, in connection with job functions, make or participate in making recommendations regarding the purchase or sale of securities or who have real-time knowledge of such recommendations, are held to more stringent standards when placing trades in personal accounts. Violations of the Code are subject to sanction, including reprimand, restricting trading privileges, reducing employees discretionary bonus, if any, potential reversal of a trade made in violation of the Code or other applicable policies, suspension or termination of employment.

Upon request, MSIM Ltd will provide a copy of the Code.

Participation or Interest in Client Transactions

The following section addresses trading activities of MSIM Ltd and its affiliates and various conflicts of interest that can arise and how such conflicts have been addressed.

Broker-Dealer Affiliations

MSIM Ltd does not act as principal or broker in connection with client transactions. MSIM Ltd does, however, in the exercise of its discretion under its investment management agreement with a client, in certain instances, effect transactions in securities or other instruments for the client through affiliated (“Affiliated Broker-Dealers”) which perform all of the activities set forth below.

In connection with transactions in which Affiliated Broker-Dealers will act as principal, MSIM Ltd will disclose to the client that the trade will be conducted on a principal basis and obtain the client's consent in accordance with the provisions of and rules under the Advisers Act. MSIM Ltd will recommend that a client engage in such a transaction only when it believes that the net price for the security is at least as favorable as could have been obtained from another established dealer in such security.

MSIM Ltd.'s recommendations to clients may involve securities in which its Affiliated Broker-Dealers, or their officers, employees or other affiliates, have a financial interest. Affiliated Broker-Dealers and their officers, employees and other affiliates, can purchase or sell for their own accounts securities that MSIM Ltd recommends to its clients.

If permitted by a client's investment objectives and guidelines, applicable law, and MSIM Ltd.'s policies and procedures concerning conflicts of interest, MSIM Ltd may recommend that such client purchase, or use its discretion to effect a client purchase of, securities during the existence of an underwriting or other public or private offering of such securities involving an Affiliated Broker-Dealer as a manager, underwriter, initial purchaser, or placement agent. Among other things, MSIM Ltd must disclose to the client that the transaction involves an affiliate and obtain your consent to execute transactions with an affiliate on behalf of your account. Purchases may be from underwriters or placement agents other than an Affiliated Broker-Dealer in distributions in which an Affiliated Broker-Dealer is a manager and/or member of a syndicate or selling group, as a result of which an Affiliated Broker-Dealer may benefit from the purchase through receipt of a fee or otherwise. In situations in which a client has not permitted, or where it is prohibited by law, rule, regulation, MSIM Ltd may be unable to purchase securities for a client's account in an initial or other public or private offering of securities involving an Affiliated Broker-Dealer.

MSIM Ltd or its affiliates may pursue acquisitions of assets and businesses and identify an investment opportunity in connection with its existing businesses or a new line of business without first offering the opportunity to fund of funds client. Such an opportunity could include a business that competes with a fund of funds or an investment fund or a Co-Investment in which a fund of funds client has invested or proposes to invest.

From time to time, MSIM Ltd or its affiliates may pursue the acquisition of investment managers who will manage private investment funds that would otherwise qualify as investments for the fund of funds clients. Due to the conflicts of interest involved and in accordance with applicable law, MSIM Ltd will not make any long-term investment for the fund of fund clients in any investment fund that is managed by an affiliate of MSIM Ltd, unless MSIM Ltd determines that (a) the investment is in accordance with the applicable fund of funds' relevant investment objectives, strategies and policies; and (b) such investment would not otherwise be prohibited by law or regulation. Accordingly, there may be investments that are unavailable to certain fund of fund clients due to the manager's affiliation with MSIM Ltd or its affiliates. Further, in the event that MSIM Ltd or its affiliates acquires a business or investment manager that is a manager of any investment fund, MSIM Ltd may need to liquidate any investment by a fund of funds client in an investment fund managed by such affiliated investment manager.

With client consent, and subject to the restrictions imposed on such transactions applicable law, MSIM Ltd will effect portfolio transactions through an Affiliated Broker-Dealer on an agency basis, including over-the-counter ("OTC") securities, where the Affiliated Broker will act as agent in connection with the purchase and sale of OTC securities from market participants and will charge MSIM Ltd.'s clients a commission on the transactions. Since these are agency transactions, there is no mark up or mark down on the price of the security.

MSIM Ltd will effect client transactions through an Affiliated Broker-Dealer when, in MSIM Ltd.'s judgment, the client may thereby obtain the best execution of the transaction. Subject to MSIM Ltd.'s duty to seek best execution, MSIM Ltd may effect such transactions through an Affiliated Broker Dealer even though the total brokerage commission for the transaction is higher than that which might have been charged by another broker for the same transaction.

Cross and Agency Cross Transactions

MSIM Ltd may effect "agency cross transactions" in which an Affiliated Broker-Dealer acts as agent for both the buyer or seller in the transaction. MSIM Ltd will only trade with an Affiliated Broker-Dealer on behalf of a client on an agency cross basis when the client has consented to MSIM Ltd.'s effecting such transactions. Any agency cross transaction will be effected in compliance with Rule 206(3)-2 under the Act and any other applicable law, as well as MSIM Ltd.'s policies and procedures designed to prevent and disclose potential conflicts of interest. The Affiliated Broker-Dealer can receive a commission from the seller and the buyer when it executes transactions on an agency cross basis under certain conditions. In effecting an agency cross transaction, we have potentially conflicting divisions of loyalties and responsibilities regarding the parties to the transaction.

MSIM Ltd may effect internal "cross" transactions between client accounts in which one client will purchase securities held by another client. Such transactions are entered into generally only when MSIM Ltd deems the transaction to be in the best interests of both clients and at a price MSIM Ltd has determined by reference to independent market indicators and which MSIM Ltd believes to constitute "best execution" for both parties.

MSIM Ltd will not engage in cross-trade transactions for an advisory client whose investment management agreement does not explicitly permit the account to engage in cross trades and, as a result, that account may pay higher transaction costs for certain of its portfolio trades and our ability to achieve best execution for that client may be impacted.

While we will seek to ensure that the terms of cross trades are fair and reasonable, and the transactions are executed in a manner that is in the best interest of the clients involved in the cross trade, clients should be aware that the price of a security bought or sold through a cross trade may not be as favorable as it might have been had the trade been executed on the open market. Neither we nor any related party receives any compensation in connection with such "cross" transactions.

MSIM Ltd and related persons of MSIM Ltd will effect portfolio transactions through an Affiliated Broker-Dealer on behalf of clients in respect of which MSIM Ltd is a "fiduciary" as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA") only on an agency basis and with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor, as well as in accordance with the restrictions imposed on such transactions by applicable law.

Fixed income instruments typically trade at a bid/ask spread and without an explicit brokerage charge. While there is not a formal trading expense or commission, clients (including Wrap Fee Program clients) will bear the implicit trading costs reflected in these spreads

MSIM Ltd may purchase securities on behalf of its ERISA clients from an underwriting or selling syndicate where an Affiliated Broker-Dealer participates as manager, or syndicate members with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor.

MSIM Ltd and its Affiliated Advisers may execute client transactions with broker/dealers that do not have their own clearing facilities and who may clear such transactions through an Affiliated Broker- Dealer. The affiliated Broker-Dealer will receive a clearing fee for these transactions.

We or our affiliates, in certain circumstances, and where permitted by applicable law, will engage in principal transactions with a Collateralized Loan Obligation vehicle that is managed by an affiliate. In such instances, the Firm will comply with any disclosure and consent requirements applicable under the Advisers Act.

Services to Issuers Activities

MSIM Ltd and its affiliates provide a variety of services for, and render advice to, various clients, including issuers of securities that MSIM Ltd also recommend for purchase or sale by clients. In the course of providing these services, MSIM Ltd and its affiliates may come into possession of material, nonpublic information which might affect MSIM Ltd.'s ability to buy, sell, or hold a security for a client account. Investment research materials disclose that related persons of MSIM Ltd may own, and may effect transactions in, securities of companies mentioned in such materials and also may perform or seek to perform investment banking services for those companies.

In addition, Directors, officers and employees of MSIM Ltd.'s affiliates may have Board seats and/or have Board observer rights with private and/or publicly traded companies in which MSIM Ltd invests on behalf of its client accounts. MSIM Ltd (and its affiliates) have adopted policies and procedures and created information barriers that are reasonably designed to prevent the flow of any material nonpublic information regarding these companies between MSIM Ltd and its affiliates. Directors, officers and employees of MSIM Ltd itself may also take Board seats or have Board observer rights with companies in which MSIM Ltd invests on behalf of its clients. Generally, MSIM Ltd only does so with respect to private (not publicly traded) companies. To the extent a director, officer or employee of MSIM Ltd were to take a Board seat or have Board observer rights in a public company, MSIM Ltd (or certain investment teams within MSIM Ltd) would be limited and/or restricted in its ability to trade in the securities of the company to the extent MSIM Ltd (or certain investment teams within MSIM Ltd) possessed or were deemed to possess material nonpublic information regarding the company.

Investment Banking Activities

MSIM Ltd believes that the nature and range of clients to whom its Affiliated Broker-Dealers render investment banking and other services is such that it would be inadvisable to exclude these companies from a client's portfolio. Accordingly, unless client advises MSIM Ltd to the contrary, it is likely that client holdings will include the securities of corporations for whom its Affiliated Broker-Dealers perform investment banking and other services. Moreover, client portfolios may include the securities of companies in which its Affiliated Broker-Dealers make a market or in which MSIM Ltd, its officers and employees and its Affiliated Broker-Dealers or other related persons and their officers or employees have positions.

To meet applicable regulatory requirements, there are periods when MSIM Ltd will not initiate or recommend certain types of transactions in the securities of companies for which an Affiliated Broker Dealer is performing investment banking services. Clients will not be advised of that fact. In particular, when an Affiliated Broker-Dealer is engaged in an underwriting or other distribution of securities of a company, MSIM Ltd may be prohibited from purchasing or recommending the purchase of certain securities of that company for its clients. Notwithstanding the circumstances described above, a client, on its own initiative, may direct MSIM Ltd to place orders for specific securities transactions in a client account. In addition, MSIM Ltd generally will not initiate or recommend transactions in the securities of companies with respect to which affiliates of MSIM Ltd may have controlling interests or are affiliated.

Investment Limits

Various federal, state or foreign laws, rules and regulations, as well as certain corporate charters adopted by issuers in which MSIM Ltd may invest, limit the percentage of an issuer's securities that may be owned by MSIM Ltd and its affiliates. MSIM Ltd is more likely to run into these limitations than investment advisers with fewer assets under management and/or that are not affiliated with a large financial institution or financial holding company. In certain instances, for purposes of these ownership limitations, MSIM Ltd.'s holdings will be aggregated with the holdings of its affiliates. These ownership limitations may be in the form of, among others: (i) a strict prohibition against owning more than a certain percentage of an issuer's securities (the "threshold"); (ii) a "poison pill" that would have a material dilutive impact on MSIM Ltd.'s holdings in that issuer should MSIM Ltd and its affiliates exceed the threshold; (iii) provisions that would cause MSIM Ltd and its affiliates to be considered "interested stockholders" of an issuer if MSIM Ltd and its affiliates exceed the threshold; and (iv) provisions that may cause MSIM Ltd and its affiliates to be considered an "affiliate" or "control person" of the issuer. MSIM Ltd will generally avoid exceeding the threshold in these situations. With respect to situations in which MSIM Ltd and its affiliates may be considered "interested stockholders" (or a similar term), MSIM Ltd will generally avoid exceeding the threshold because if MSIM Ltd were considered an interested stockholder, MSIM Ltd and its affiliates would be prohibited (in some cases absent Board and/or shareholder approval) from entering into certain transactions or performing certain services (including investment banking, financial advisory and securities lending) with or for the issuer. MSIM Ltd will also generally avoid exceeding a threshold in situations in which MSIM Ltd may be considered an affiliate of the issuer for the reasons set forth above, as well as the fact that should MSIM Ltd be considered an affiliate of an issuer, MSIM Ltd.'s ability to trade in the issuer's securities would become limited.

Investments in other MSIM Ltd Investment Funds

When permitted by applicable law and the investment guidelines applicable to individual client accounts, and considered by MSIM Ltd to be in the best interests of a client, MSIM Ltd may recommend to clients, and invest the assets of client accounts in various closed-end and open-end investment companies and other pooled investment vehicles with respect to which MSIM Ltd or its affiliates receive compensation for advisory, administrative, or other services.

In certain circumstances, when required by applicable law or by agreement with the client, MSIM Ltd will waive its investment management fee with respect to assets invested in pooled investment vehicles to the extent of some or all of the compensation received by MSIM Ltd and its affiliates for services rendered with respect to such pooled investment vehicles. We do not, in all instances, waive such investment management fees.

Investment Management Activities

It is possible that officers or employees of MSIM Ltd may buy or sell securities or other instruments that MSIM Ltd has recommended to clients. Moreover, MSIM Ltd may recommend to clients the purchase or sale of securities in which it or its officers, employees or related persons have a financial interest. These transactions are subject to MSIM Ltd.'s policies and procedures regarding personal securities trading, as well as to the requirements of the Advisers Act, the 1940 Act and other applicable laws. MSIM Ltd.'s policies and procedures, the Advisers Act and the 1940 Act require that MSIM Ltd puts its clients' interests first.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of MSIM Ltd, its affiliates, and personnel (each, an "Advisory Affiliate" and, collectively, the "Advisory Affiliates").

The Adviser and other Advisory Affiliates may manage long and short portfolios. The simultaneous management of long and short portfolios creates potential conflicts of interest in portfolio management and trading in that opposite directional positions may be taken in client accounts managed by the same investment team, and creates potential risks such as (i) the risk that short sale activity could adversely affect the market value of long positions in one or more portfolios (and vice versa) and (ii) the risks associated with the trading desk receiving opposing orders in the same security simultaneously. The Adviser and the other Advisory Affiliates have adopted policies and procedures that are reasonably designed to mitigate these potential conflicts. The Adviser and each Advisory Affiliates may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the mutual funds and/or managed accounts managed by them (collectively, the "Advisory Clients"). The Advisory Affiliates may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for any of the Advisory Clients.

Potential conflicts also may arise due to the fact that certain securities or instruments may be held in some Advisory Clients but not in others, or the Advisory Clients may have different levels of holdings in certain securities or instruments, and because the Advisory Clients may pay different levels of fees to MSIM Ltd. In addition, an Advisory Affiliate may give advice or take action with respect to the investments of one or more Advisory Clients that may not be given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, Advisory Clients with similar strategies may not hold the same securities or instruments or achieve the same performance. The Adviser or any other Advisory Affiliate also may advise Advisory Clients with conflicting programs, objectives or strategies.

Any of the foregoing activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Advisory Clients. Finally, the Advisory Affiliates may have conflicts in allocating their time and services among their Advisory Clients. MSIM Ltd will devote as much time to each of its Advisory Clients as it deems appropriate to perform its duties in accordance with its respective management agreements.

Different clients of MSIM Ltd, including funds advised by MSIM Ltd or an affiliate, may invest in different classes of securities of the same issuer, depending on their respective client's investment objectives and policies. As a result, MSIM Ltd may at times seek to satisfy its fiduciary obligations to certain clients owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those clients with respect to such class of securities, and those activities may have an adverse effect on another client, which owns a different class of securities of such issuer. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, MSIM Ltd may seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities may benefit from a reorganization of the issuer. Thus, the actions taken on behalf of one client may negatively impact securities held by another client. MSIM Ltd has adopted procedures pursuant to which conflicts of interest, including those resulting from the receipt of material nonpublic information about an issuer, are managed by MSIM Ltd.'s employees through information barriers and other practices.

We, or our affiliates, may pursue acquisitions of assets and businesses and identify an investment opportunity in connection with its existing businesses or a new line of business without first offering the opportunity to fund of funds clients. Such an opportunity could include a business that competes with a fund of funds or an investment fund or a co-investment in which a fund of funds client has invested or proposes to invest.

From time to time, we may be retained to manage assets on behalf of a client that is a public or private company in which we have invested or may invest on behalf of our mutual funds and other client accounts.

General Process with Potential Conflicts

All of the transactions described above involve the potential for conflicts of interest between MSIM Ltd or related persons of a MSIM Ltd and its clients. The Advisers Act, the 1940 Act and ERISA impose certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. Certain other transactions may be prohibited. In addition, MSIM Ltd has instituted policies and procedures designed to prevent conflicts of interest from arising and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. MSIM Ltd seeks to ensure that potential or actual conflicts of interest are appropriately resolved taking into consideration the overriding best interest of the client.

We have adopted policies and procedures and established controls such as the MSIM Conflicts of Interest and Franchise Committee designed to require review of transactions in which conflicts of interest may exist, including those described above, to ensure that applicable policies and legal and regulatory requirements are followed.

MSIM Ltd recommends transactions to clients based solely on investment considerations, including whether the investments are reasonably believed to be suitable for the client and meet the client's investment guidelines.

ITEM 12 BROKERAGE PRACTICES

Best Execution and Brokerage Selection Factors

We take all sufficient steps to obtain the best possible result for client accounts when placing orders as part of our portfolio management services, taking into consideration a number of factors including, but not limited to: the price or spread of the relevant instrument, cost of execution, speed and likelihood of execution and settlement, order size, nature of the order, broker-dealer or counterparty, availability of liquidity, market impact, operational costs and any other considerations that we deem relevant to the transaction. We are not obligated to choose the broker-dealer offering the lowest available commission rate if, in our reasonable judgment, (i) we believe that the total costs or proceeds from the transaction might be less favorable than may be obtained elsewhere; and (ii) other considerations, such as those noted above, support our decision to use a different broker-dealer.

When effecting transactions on behalf of clients, we may trade with any broker-dealer on our list of approved broker-dealers. Approved broker-dealers have met criteria as established by our Trading and Research Governance team ("TRG"). TRG reviews and approves broker-dealers periodically to determine whether broker-dealers on our approved list continue to meet such criteria. Changes to the approved brokers list are reported quarterly to the Counterparty Governance Committee ("CGC"), as well as other Committees and forums, where relevant.

When selecting an approved broker-dealer (including an affiliate) to execute securities transactions, the trading desk may consider the following factors:

- Best available price
- Reliability, integrity and reputation in the industry;
- Execution capabilities, order size, speed of execution and quality and responsiveness of its trading desk;
- Knowledge of and access to the markets for the securities being traded;
- Protection of confidentiality;
- Ability to handle non-traditional trades;
- Technology infrastructure;
- Clearance and settlement capabilities;
- The size of the trade relative to other trades in the same instrument;
- Ability of our counterparty to commit their capital to our trade and their access to liquidity;
- Counterparty restrictions associated with a portfolio, including trading documentation requirements, or any specific clearing requirements;
- Client directed execution and specific restrictions; and
- Such other factors as may be appropriate.

Payments for Research

We are subject to the European Union's Markets in Financial Instruments Directive II ("MiFID II"), which is a European regulation governing conduct by investment advisers, among others. MiFID II prohibits investment advisers from receiving "inducements," including receiving research (other than research that qualifies as an "Acceptable Minor Non-Monetary Benefit" under MiFID II), from a third party in connection with providing a service to a client. Under MiFID II, we can receive research without it constituting an unlawful inducement if we pay for the research directly from our own resources or from research payment accounts funded by clients. We have decided to pay for any research we receive with respect to our client accounts (other than research that qualifies as an "Acceptable Minor Non-Monetary Benefit" under MiFID II) from our own resources. Our client accounts will not participate in any commission sharing arrangements ("CSAs") utilized by our Affiliated Advisers in accordance with the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 Act or otherwise as permitted under applicable law, rules, and regulations of the relevant jurisdictions in which our Affiliated Advisers operate.

Additionally, we may engage certain of our Affiliated Advisers as sub-advisers or otherwise delegate to them authority to manage client accounts, and pursuant to those arrangements we will contractually obligate our Affiliated Advisers to operate in substantive compliance with MiFID II in connection with their management of those accounts ("Delegated MiFID II Accounts"). In particular our Affiliated Advisers will pay for equity research they receive with respect to Delegated MiFID II accounts (other than research that qualifies as an Acceptable Minor Non-Monetary Benefit) out of their own resources. Delegated MiFID II Accounts will not participate in CSAs, although other accounts managed by our

Affiliated Advisers may participate in CSAs. In this connection, our Affiliated Advisers will make a reasonable valuation and allocation of the cost of the research as between Delegated MiFID II Accounts and other accounts that participate in CSAs. Our Affiliated Advisers will pay out of their own resources for the portion of the cost of equity research allocated to Delegated MiFID II Accounts.

We and our Affiliated Advisers have established a process for budgeting research costs and allocating such costs across client accounts. Each of our portfolio management (“PM”) teams establishes a research budget at the start of each calendar year that sets the expected cost to be spent by the team on external research services for the same year. These research budgets are initially reviewed and approved by our Research Committee, allocated across all accounts managed by the PM team in accordance with our policies and procedures and reviewed on a regular basis.

To the extent permitted under applicable law, rules, and regulations of the relevant jurisdictions in which we operate (collectively, “Applicable Law”), we may share research with our Affiliated Advisers. We will bear all costs of any research we share with our Affiliated Advisers or that our Affiliated Advisers share with us. We will make a good faith effort to value such research, and the relative cost of such research in order to appropriately allocate that cost, among ourselves and our Affiliated Advisers. Potential conflicts that may arise from research sharing arrangements with our Affiliated Advisers are mitigated because we pay for any such research from our own resources and operate controls designed to support our policy on inducements and research.

Trade Aggregations

When permitted under Applicable Law, each Portfolio Management team generally will aggregate orders of its clients for the same securities in a single order so that such orders are executed simultaneously in order to facilitate best execution and to reduce brokerage costs. We may aggregate client orders with the orders of clients of our Affiliated Advisers and accounts in which we or our officers, employees or related persons have a financial interest. However, we effect aggregated orders in a manner designed to ensure that no participating client is favored over any other client.

In general, accounts that participate in an aggregated order will participate on a pro rata or other objective basis. Pro rata allocation of securities and other instruments will generally consist of allocation based on the order size of a participating client account in proportion to the size of the orders placed for other accounts participating in the aggregated order. However, we may allocate such securities and other instruments using a method other than pro rata if their supply is limited, based on differing portfolio characteristics among accounts or to avoid odd lots or small allocations, among other reasons. These allocations are made in our good faith judgment with a goal of ensuring that fair and equitable allocation will occur over time. There may be times that we are not able to aggregate orders because of Applicable Law or other considerations when doing so might otherwise be advantageous.

We and our Affiliated Advisers are subject to differing requirements governing aggregation of orders, including provisions of the 1940 Act that restrict joint transactions and MiFID II that govern the circumstances under which our accounts and Delegated MiFID II Accounts may pay for research.

Directed Brokerage Arrangements

Clients may limit our authority to advise accounts or execute transactions in a number of ways, including by (1) requiring that certain securities transactions be authorized by them in advance, (2) prohibiting or limiting the purchasing of certain securities or industry groups or (3) through “directed brokerage” arrangements, seeking to require that all or a portion of their transactions be executed through a designated broker-dealer (“Designated Broker”) and/or restricting us from executing transactions through a particular broker-dealer (“Directed/Restricted Trades”).

The restrictions imposed by Designated Broker arrangements may cause us to trade the securities held by these accounts differently as compared to how we trade for client accounts for which we are not so restricted. Directed/Restricted Trades may not be aggregated for execution with transactions in the same securities for other clients, and we may be unable to obtain best execution on Directed/Restricted Trades for a number of reasons, which may include:

- A client direction may restrict our ability to obtain as favorable a transaction price or commission rate as we might otherwise be able to obtain on an unrestricted trade;
- The account may forego benefits from savings on execution costs that may otherwise be obtained, most notably commission savings and/or price improvement that derive from aggregating orders for various client accounts;
- If a Designated Broker is not on our approved list of brokers, there may be additional credit and/or settlement risk for such trades;
- We will not be obligated to, and in most cases will not, negotiate with a Designated Broker to obtain commission rates more favorable or otherwise different than those to which the client has agreed;
- A Directed/Restricted Trade may result in a client account paying higher or otherwise different commissions than other clients of ours for transactions in the same security; and
- We may effect a transaction through a Designated Broker pursuant to a Directed/Restricted Trade after another broker has effected transactions in the same security for client accounts for which we have discretion to select the broker and trading venue, which also could negatively affect the prices received by clients that direct trades.

Notwithstanding the foregoing, where a client has directed brokerage for its account and maintains that we remain subject to best execution, if eligible, we may aggregate those Directed/Restricted Trades along with trades executed for other client accounts through the broker-dealer that we believe will offer the best execution for such transaction and, thereafter, instruct such broker-dealer to “step-out” or allocate a portion of the trades to the client’s Designated Broker for billing and settlement.

ITEM 13 REVIEW OF ACCOUNTS

The portfolio managers of MSIM Ltd regularly review all accounts. Accounts are reviewed for a number of factors, including but not limited to, performance, sector and asset allocation, adherence to MSIM Ltd.'s investment policies and strategies and specific security ownership, all within the context of client guidelines and objectives.

Clients for whom MSIM Ltd manages separate accounts are provided reports of transactions as they are effected (if requested by the client), portfolio valuations and summaries of portfolio changes on a quarterly basis or as otherwise negotiated with the client. Additionally, MSIM Ltd meets with clients quarterly, annually or as requested to discuss the performance of the client's account, MSIM Ltd.'s management of the client's account, and any other issues of concern to the client. MSIM Ltd will provide additional reports or information to the client upon request.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

MSIM Ltd has compensated, and may continue to compensate affiliates and unrelated third parties for client referrals in accordance with Rule 206(4)-3 of the Advisers Act. The compensation paid to any such entity will typically consist of a cash payment stated as a percentage of MSIM Ltd.'s advisory fee, but may include cash payments determined in other ways.

ITEM 15 CUSTODY

MSIM Ltd is deemed to have "custody" of client assets in a variety of circumstances, and in each case we will comply with the custody requirements under the Advisers Act. MSIM Ltd has custody of client assets any time that we have authority or ability to obtain possession of client assets. MSIM Ltd may be deemed to have custody of the assets of the funds for which we or an affiliate serves as general partner or for which we or an affiliate serves as the managing member or otherwise has the authority or ability to obtain possession of fund assets. In those cases, the funds generally provide audited financial statements on an annual basis in accordance with applicable law. Additionally, where we are deemed to have custody over other advisory client accounts, clients will receive quarterly account statements from the qualified custodian for such account. Clients should carefully review the account statements received from the qualified custodian and compare them to statements received from us.

ITEM 16 INVESTMENT DISCRETION

MSIM Ltd typically receive discretionary authority to select the securities and other instruments to be bought or sold at the time we establish an advisory relationship with you by entering into an investment management agreement. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines. As discussed under Item 12, “Brokerage Practices” of this Brochure, clients may impose certain limitations on MSIM Ltd.’s use of broker-dealers.

For registered investment companies, MSIM Ltd.’s authority to trade securities may also be limited by certain federal securities and tax laws that require among other things, diversification of investments.

ITEM 17 VOTING CLIENT SECURITIES

We use our best efforts to vote proxies as part of our authority to manage, acquire and dispose of account assets. We and our affiliates generally vote proxies under the MSIM Proxy Voting Policies and Procedures (the “Policy”) pursuant to authority granted under the applicable investment advisory agreement or, in the absence of such authority, as authorized by the Board of Directors/Trustees of the Morgan Stanley Funds. We will not vote proxies unless the investment advisory agreement or Board of Directors/Trustees explicitly authorizes us to vote proxies.

We and our affiliates will vote proxies in a prudent and diligent manner and in the best interests of clients, including beneficiaries of and participants in a client’s benefit plan(s) for which we manage assets, consistent with the objective of maximizing long-term investment returns (the “Client Proxy Standard”). In certain situations, you may provide us with a proxy voting policy. In these situations, we will comply with your policy. In addition to voting proxies at portfolio companies, MSIM generally engages with the management and may also engage with the board, of companies in which we invest on a range of governance issues. We consider governance to be a window into management and board quality. MSIM typically engages with companies where we have larger positions, voting issues are material or where we believe we can make a positive impact on the governance structure. We believe that MSIM’s engagement process, through private communication with companies, allows us to understand the governance structures at investee companies and better inform our voting decisions.

The Policy addresses a broad range of issues, and provides general voting parameters on proposals that

arise most frequently. However, details of specific proposals vary, and those details affect particular voting decisions, as do factors specific to a given company. We endeavor to integrate governance and proxy voting policy with investment goals, using the vote to encourage portfolio companies to enhance long-term shareholder value and to provide a high standard of transparency such that equity markets can value corporate assets appropriately.

We seek to follow the Client Proxy Standard for each client. At times, this may result in split votes, for example when different clients have varying economic interests in the outcome of a particular voting matter (such as a case in which varied ownership interests in two companies involved in a merger result in different stakes in the outcome). We also may split votes at times based on differing views of portfolio managers.

We may abstain on matters for which disclosure is inadequate. We usually support routine management proposals except for certain “other business” and “meeting adjournment” proposals.

From time to time, MSIM retains third-party advisers to provide a variety of proxy-related services, including in-depth research, global issuer analysis, and voting recommendations (“Research Providers”). While MSIM may review and utilize the recommendations of such Research Providers, MSIM is in no way obligated to follow such recommendations, and votes all proxies based on the Policy and Client Proxy Standard.

Votes on board nominees can involve balancing a variety of considerations, including those related to board and board committee independence, term length, whether nominees may be overcommitted, director attendance and diligence, financial knowledge and experience, executive and director remuneration practices, board diversity, and board responsiveness. We consider withholding support from or voting against a nominee if it believes a direct conflict exists between the interests of the nominee and the public shareholders, including failure to meet fiduciary standards of care and/or loyalty. We may oppose directors where we conclude that actions of directors are unlawful, unethical or negligent. We consider opposing individual board members or an entire slate if we believe the board is entrenched and/or dealing inadequately with performance problems; if we believe the board is acting with insufficient independence between the board and management; or if we believe the board has not been sufficiently forthcoming with information on key governance or other material matters.

We examine a range of issues, including proxy contests and proposals relating to mergers, acquisitions and other special corporate transactions, on a case-by-case basis in the interests of each client. We support substantial management/board discretion on capital structure, but within limits that take into consideration articulated uses of capital, existence of preemptive rights, and certain shareholder protections provided by market rules and practices. We are generally supportive of reasonable shareholder rights.

We vote on advisory votes on executive pay on a case-by-case basis. We generally support equity compensation plans if we view potential dilution/cost as reasonable, and if plan provisions sufficiently protect shareholder interests. We also support appropriately structured bonus and employee stock purchase plans. We support proposals that if implemented would enhance useful disclosure, but we generally vote against proposals requesting reports that we believe are duplicative, related to matters not material to the business, or that would impose unnecessary or excessive costs.

We consider social and environmental shareholder proposals on a case-by-case basis.

Process: An MSIM Proxy Review Committee (the “Committee”) has overall responsibility for the Policy. Because proxy voting is an investment responsibility and impacts shareholder value, and because of their knowledge of companies and markets, portfolio managers and other members of investment staff play a key role in proxy voting, although the Committee has final authority over proxy votes.

The Committee meets at least quarterly, and reviews and considers changes to the Policy at least annually. If the Director of our Global Stewardship Team determines that an issue raises a material conflict of interest, the Director may request a special committee to review, and recommend a course of action with respect to, the conflict(s) in question.

We generally will not make any filings in connection with any shareholder class action lawsuits and similar matters involving securities held or that were held in separate accounts and will not be required to notify custodians or clients in separate managed accounts of shareholder class action lawsuits and similar matters. We will not be responsible for any failure to make such filings or, if we determine to make such filings, to make such filings in a timely manner. Upon client request, we will consider on a case-by-case basis participation in non-US class action lawsuits.

Further Information: You may contact your Client Representative or Financial Advisor for information on how to obtain a copy of the Policy or proxy voting records. In the case of registered investment companies we advise, the fund’s proxy voting records filed with the SEC are available (i) without charge by accessing the Mutual Fund Center on our web site at www.morganstanley.com/funds and (ii) on the SEC’s web site at www.sec.gov.

ITEM 18 FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about MSIM Ltd.’s financial condition. MSIM Ltd 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.

APPENDIX A

Privacy Notice

U.S. Customer Privacy Notice

April 2019

FACTS

WHAT DOES MSIM DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number and income ▪ investment experience and risk tolerance ▪ checking account number and wire transfer instructions
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MSIM chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does MSIM share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call toll-free (844) 312-6327 or email: imprivacyinquiries@morganstanley.com

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Who we are**Who is providing this notice?**

Morgan Stanley Investment Management, Inc. and its affiliated registered investment advisers, registered broker-dealers, and registered and unregistered funds ("MSIM")

What we do**How does MSIM protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We have policies governing the proper handling of customer information by personnel and requiring third parties that provide support to adhere to appropriate security standards with respect to such information.

How does MSIM collect my personal information?

We collect your personal information, for example, when you

- open an account or make deposits or withdrawals from your account
- buy securities from us or make a wire transfer
- give us your contact information

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Definitions**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include companies with a Morgan Stanley name and financial companies such as Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.*

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *MSIM does not share with nonaffiliates so they can market to you.*

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *MSIM doesn't jointly market*

Other important information

Vermont: Except as permitted by law, we will not share personal information we collect about Vermont residents with Nonaffiliates unless you provide us with your written consent to share such information.

California: Except as permitted by law, we will not share personal information we collect about California residents with Nonaffiliates and we will limit sharing such personal information with our Affiliates to comply with California privacy laws that apply to us.