

Part 2A of Form ADV: Firm Brochure

MSREF Real Estate Advisor, Inc.

As adviser to

North Haven Real Estate Fund VII Global

North Haven Real Estate Fund VIII Global

North Haven Real Estate Fund IX Global

North Haven Real Estate Fund X Global

and certain Separate Accounts

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March 31, 2021

This Brochure provides information about the qualifications and business practices of MSREF Real Estate Advisor, Inc. (the “Adviser”). If you have any questions about the contents of this Brochure, you should contact Morgan Stanley Real Estate Investing Investor Services at (212)761-7160 or email msreinvestor@morganstanley.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

Item 2 – Material Changes

We provide this Brochure to our clients as well as limited partners of the pooled investment vehicles that we advise (“Limited Partners”).

There have been no material updates since the last update of the Brochure which was dated July 30, 2020.

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

Our Brochure may be requested by contacting Morgan Stanley Real Estate Investing Investor Services at (212) 761-7160 or email msreinvestor@morganstanley.com.

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Item 4 – Advisory Business

MSREF Real Estate Advisor, Inc. (the “Adviser”) was formed in 2006 and registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in 2006.

The Adviser is a wholly-owned direct subsidiary of Morgan Stanley (collectively, with its affiliates, “Morgan Stanley”).

As of December 31, 2020, the Adviser had approximately \$10,662,976,923¹ of real estate assets under management, of which approximately \$9,993,681,723 was managed on a discretionary basis and approximately \$729,295,200 was managed on a non-discretionary basis.

The Adviser provides real estate-related investment advisory services to various clients, including (i) each of the co-investing partnerships that comprise or co-invest with North Haven Real Estate Fund VII Global (“NHREF VII Global”), North Haven Real Estate Fund VIII Global (“NHREF VIII Global”), North Haven Real Estate Fund IX Global (“NHREF IX Global”) and North Haven Real Estate Fund X Global (“NHREF X Global”) that are designed to seek capital appreciation principally through privately negotiated real estate opportunities and (ii) from time to time, institutional investors with respect to specified real estate opportunities, either directly or through limited partnerships (each such client is individually referred to as a “Separate Account” and collectively as the “Separate Accounts”). Except as the context dictates, references to the “Fund” or the “Funds” shall include NHREF VII Global, NHREF VIII Global, NHREF IX Global and NHREF X Global and any other pooled investment vehicle which has more than one investor and is advised by the Adviser. References to “Separate Account” and “Separate Accounts” shall include (i) limited partnerships that are comprised of one single investor other than an affiliate of the Adviser and/or (ii) clients with which the Adviser has an investment management agreement or similar investment documentation to manage and/or advise on such client’s assets.

In providing its services to each of its advisory clients (which includes the Funds and each Separate Account), the Adviser formulates such advisory client’s investment objectives, directs and advises on, and/or manages the investment and reinvestment of assets, and provides reports to investors. The Adviser advises and/or manages the assets of each advisory client in accordance with the terms of the investment documentation applicable to such advisory client.

The Adviser’s affiliation with Morgan Stanley, including Morgan Stanley Real Estate Investing, the real estate investing business of Morgan Stanley, together with its subsidiaries and the supporting units dedicated to the real estate investing business (collectively, “MSREI”), provides it with access to valuable relationships, market knowledge, and financial and operating expertise. Morgan Stanley has been engaged in the real estate business since 1969 and the investing businesses employ professionals worldwide who have demonstrated a proven ability to

¹ Real Estate Assets Under Management (RE AUM) represents gross fair market value of the Real Estate assets managed by the Adviser on behalf of its clients, presented at direct ownership interest. RE AUM for certain minority interests represents the clients’ equity investment in the entity.

source deals, structure complex transactions and identify multiple exit strategies which enhance the advisory clients' ability to meet their return objectives.

The activities of the Adviser described in this Brochure may be performed by: (i) the Adviser; (ii) by one of its affiliates that acts as a general partner or managing member of the applicable client; or (iii) certain Non-U.S.-affiliated advisers that may provide advice or research for the Adviser for use with the Funds or the Separate Accounts (in such capacity, "Participating Affiliates").

On March 1, 2021, Morgan Stanley completed its previously announced acquisition of Eaton Vance Corp., formerly, a publicly held company that was traded on the New York Stock Exchange under the ticker symbol EV and its subsidiaries, including but not limited to, Eaton Vance Management, Eaton Vance WaterOak Advisors, Calvert Research and Management, Parametric Portfolio Associates, LLC Atlanta Capital Management Company LLC, Boston Management and Research, and Eaton Vance Advisers International Ltd., each a registered investment adviser (each, an "EV Adviser", and collectively, the "EV Advisers). The foregoing acquisition is referred to as the "Transaction". Following the Transaction, each EV Adviser became an indirect subsidiary of Morgan Stanley and an affiliate of the Adviser.

Item 5 – Fees and Compensation

Certain fees described herein are subject to negotiation with investors.

Management Fees

With respect to each of the Funds, other than certain co-investment entities, and without prejudice to the ability of the Adviser and the applicable Fund to enter, from time to time, into letter agreements or other similar arrangements with one or more Limited Partners that may confer additional benefits on individual Limited Partners that other Limited Partners will not receive, the Adviser or a related person of the Adviser is paid a quarterly (annually, in the case of certain large investors) management fee (payable in arrears) based on invested capital, or in the case of NHREF IX Global and NHREF X Global, on committed capital during the investment period and on invested capital thereafter, which is funded by the Limited Partners for the respective Fund and ranges from 0.5625% to 2.0%. See also “Co-Investments” below for additional information on the fees and expenses relating to co-investments.

With respect to each of the Separate Accounts, management fees are negotiated by each such client as set forth in the applicable investment management or limited partnership agreement. Fee arrangements may vary but generally are based on a percentage of the fair market value of the client’s interest or investment, or of the return on such client’s investment.

Annual Fees and Upfront Placement Fees

With respect to NHREF VII Global, the Fund’s general partner is paid an annual fee by Limited Partners of certain feeder funds, depending on commitment size, equal to 0.50% of such Limited Partner’s invested capital, which fee is payable in arrears and is for the account of one or more Morgan Stanley affiliates that acted as placement or distribution agents with respect to the interests in these Funds (through the Morgan Stanley Wealth Management network). Broker-dealers who may or may not be affiliates of the Adviser acted as placement agents to assist in the placement of the Fund’s interests. With respect to NHREF VIII Global and NHREF IX Global, placement agents of the Adviser were entitled to receive placement fees ranging from 0.25% to 2.0% based on commitment size. For NHREF X Global, placement agents are entitled to receive upfront placement fees ranging from 1.00% to 2.0% based on commitment size, an annual fee ranging from 0.25% to 0.75% based on commitment size (during the investment period) or invested capital (following the investment period) as applicable, and a revenue share equal to 0.75% based on commitment size. Any placement fee not payable by the Adviser is in addition to a Limited Partner’s capital commitment. The amount of any placement fee is described in the placement agent’s point of sale letter. However, any of the placement agents or distributors may in their sole discretion waive the placement fees payable by a Limited Partner, including a Limited Partner that is an employee or affiliate of the general partner of a Fund and/or Morgan Stanley.

The prospect of receiving, or the receipt of, annual fees and upfront placement fees as described above by affiliates of the general partner may have provided such affiliates with an incentive to favor subscriptions for interests in the Funds over subscriptions for, or sales of, interests in funds

(or other fund investments) with respect to which such affiliates do not receive such compensation or receive lower levels of compensation, creating a potential conflict of interest for such affiliates.

See “Affiliates acting as Fundraising Broker-Dealers” in Item 10 below.

Referral Fees

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

Acquisition Fees

With respect to NHREF VII Global, other than certain co-investment entities, the Adviser or a related person of the Adviser is entitled to receive an acquisition fee payable by NHREF VII Global with respect to any acquisition in an amount based on the gross value of the consideration paid (or obligated to be paid) for each investment, which ranges from 0.50% to 1.0%; *provided* that such fees shall not exceed, depending on the gross charge, 3.5% or 5.0% of the Limited Partners’ capital contributions funded (or obligated to be funded) in respect of the relevant investment. Certain Limited Partners will receive a rebate of 25% to 100% of their allocable share of acquisition fees, depending on their commitment size.

Acquisition Fees are generally payable on the date of closing of the acquisition to which such acquisition fee relates. There are no acquisition fees payable in connection with NHREF VIII Global, NHREF IX Global and NHREF X Global.

Carried Interest and Incentive Fees

Save as indicated below, with respect to each Fund, other than certain co-investment entities, and without prejudice to the ability of the Adviser and the applicable Fund to enter, from time to time, into letter agreements or other similar arrangements with one or more Limited Partners that may confer additional benefits on individual Limited Partners that other Limited Partners will not receive, the general partner of the applicable Fund will also be entitled to a distribution of up to 20% of a Limited Partner’s gain from an investment, which fee complies with the provisions of Rule 205-3 under the Advisers Act; provided that the remaining 80% allocated to a Limited Partner of each Fund is sufficient to give such Fund’s Limited Partners a 9% annual compounded internal rate of return on all capital contributed to that Fund, subject to certain distributions to the respective general partner for tax purposes. In addition, NHREF VII Global has a specific fund designed to admit only Morgan Stanley current and former employees (and certain other permissible related investors) (the “Employee Fund”). With respect to the Employee Fund, absent certain circumstances relating to the termination of employment of a Limited Partner with Morgan Stanley, other than certain co-investment entities, the general partner’s distribution entitlement is generally calculated at 10% instead of 20%.

With respect to the Separate Accounts, the Adviser or an affiliate will also be entitled to an incentive fee, which is in a range of up to 15% of a Separate Account client’s gain from its

investment, which fee complies with the provisions of Rule 205-3 under the Advisers Act; provided that the remaining amount allocated to such client is sufficient to give such client an annual compounded internal rate of return higher than the agreed upon threshold rate of return on all capital contributed to the investment by such client, subject to certain exceptions.

With respect to the Funds and Separate Accounts advised by the Adviser, the Separate Account clients, specific Limited Partners within a Fund or, in some cases, the Fund as a whole, are entitled to a clawback of all or a portion of a general partner's carried interest (or in the case of a Separate Account, its carried interest or incentive fee, as the case may be) in certain circumstances.

Expenses

The Funds and Separate Accounts may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to such Funds and Separate Accounts. The payment of such expenses does not represent a source of profit for the Adviser, but rather is a reimbursement of actual costs initially paid by the Adviser (or its affiliates) and subsequently passed through to the Funds and/or the Separate Accounts. The most common expenses include (i) fees, costs and expenses (including travel, meals and accommodations), incurred in conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring and disposing of actual or potential investments, including costs of external financial, legal, accounting, consulting or other advisors, or any lenders and other financing sources; third party out-of-pocket expenses incurred by the Adviser in connection with client investments or proposed investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of investments; costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits; (ii) costs and expenses related to the engagement of third-party consultants, advisors and service providers, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, property management, fund administration, hedging administration, custody or depositary advice or services, as well as any third-party recurring expenses associated with procuring, developing, aggregating, implementing, auditing or maintaining data and information technology used in connection with the Funds' or Separate Accounts' activities; (iii) expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Funds or the Separate Accounts, including with respect to any governmental inquiry, investigation or proceeding; (iv) expenses related to legal and regulatory compliance for the Funds or the Separate Accounts together with costs and expenses in relation to the maintenance or compliance with the tax or legal status of the Funds or the Separate Accounts; (v) expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the clients or any proposed or definitive credit facility or other credit arrangement, including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements; (vi) expenses associated with portfolio and risk

management including currency hedging and interest rate hedging; (vii) expenses associated with advisory committee meetings; (viii) fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with the Funds' or Separate Accounts' governing agreements; and (viii) all other costs and expenses relating to the business of the Funds or the Separate Accounts.

The Adviser is solely responsible for and shall pay for the Adviser's internal administration, overhead or compensation for employees of the Adviser except that the Adviser may be reimbursed for internal legal, accounting and other professional costs and expenses, including allocable compensation and overhead associated with the operation of the Funds and the Separate Accounts, and that would otherwise be provided by outside professionals, so long as such costs and expenses are on economic terms no less favorable than could be obtained from an unaffiliated third party.

In addition, the Adviser may retain Morgan Stanley to provide various investment banking or other advisory services for the Funds or the Separate Accounts and their respective portfolio companies and cause such Funds or certain Separate Accounts and their respective portfolio companies to pay Morgan Stanley customary fees for these services.

The Confidential Offering Memorandum, partnership agreements and other appropriate documentation for each of the Funds or the Separate Accounts include further details on fees and compensation and related matters.

Co-Investments

With respect to each of the Funds, the terms of a co-investment applicable to one co-investor may be different than the terms applicable to another co-investor, including that certain co-investors may be required to pay a carried interest and/or management fees while other co-investors (including affiliates of Morgan Stanley) may not be required to pay such amounts. The respective Fund's general partner may or may not charge management fees, one time funding fees, administration fees and/or carried interest in respect of co-investments, subject to the terms of any applicable agreements with investors. In addition, Morgan Stanley may, in certain circumstances, be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship with Morgan Stanley) priority to co-investment opportunities or to co-invest on more favorable terms than other potential co-investors due to the amount of performance-based compensation or management fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor's relationship with Morgan Stanley. The allocation of any co-investment opportunities may directly or indirectly benefit the Adviser or a Fund's general partner as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to any of the Funds and capital commitments to other Affiliated Investment Accounts (as hereinafter defined). Co-investors in one or more specific investments will not necessarily be required to share in broken-deal expenses that are paid by any of the Funds, either with respect to a co-investment opportunity that is not consummated

or with respect to other potential investments that may be offered to any of the Funds. The performance of co-investments is not aggregated with that of the Funds, including for purposes of determining a Fund's general partner's carried interest or the Adviser's management fees under the relevant Fund's partnership agreement. See also "Allocation of Co-Investment Opportunities" in Item 11 below for additional information on the allocation of co-investment opportunities.

Disparate Fee Arrangements with Service Providers

Certain advisors and other service providers to the Funds or the Separate Accounts (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), and/or their affiliates, also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, any of the general partners, the Adviser or their affiliates. Such advisors and other service providers may be investors in any of the Funds or Separate Accounts, affiliates of any of the general partners, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence a general partner and the Adviser in deciding whether to select or recommend such a service provider to perform services for a Fund or Separate Account (the cost of which generally will be borne by such parties and, indirectly, the investors therein). In certain circumstances, advisors and other service providers, or their affiliates, charge different rates or have different arrangements for services provided to Morgan Stanley, any of the general partners, the Adviser or their affiliates as compared to services provided to any of the Funds or Separate Accounts, which may result in more favorable rates or arrangements than those payable by such parties. Item 10 further describes material relationships with Morgan Stanley and other affiliated entities.

The Confidential Offering Memorandum for each of the Funds includes further details on fees and compensation and related matters.

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

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

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

Item 7 – Types of Clients

The Adviser provides portfolio management services to pooled investment vehicles, and from time to time, directly to institutional investors or to limited partnerships comprised of an affiliate of the Adviser and a single institutional investor. These pooled investment vehicles are not subject to regulation under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, Fund investors must invest a minimum of \$10 million, unless otherwise approved. As regards certain feeder funds, investors must generally invest a minimum of \$1 million, unless otherwise approved. In addition, with respect to the Employee Funds, investors in those funds must have generally invested a minimum of \$100,000, unless otherwise approved.

In addition, interests in a pooled investment vehicle may be purchased only by certain eligible investors who are (i) “accredited investors” as defined in Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and (ii) “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act or “knowledgeable employees” as such term is defined in Section 3(c)(5) of the Investment Company Act. In the case of the Employee Funds, interests were offered and sold to investors who were “accredited investors” as defined in Regulation D of the Securities Act and in accordance with the requirements of an exemptive order under the Investment Company Act received by Morgan Stanley from the SEC in April 2000.

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

Investment Strategies

The respective investment periods for NHREF VII Global and NHREF VIII Global have terminated and, as such, they are no longer making investments. The investments made by each of the Funds or Separate Accounts are typically in real estate opportunities, including, among other things, investments in publicly traded or privately held real estate operating companies, programmatic joint ventures, corporate divestitures, portfolios of real estate and real estate loans held by financial institutions (and, subject to certain limitations, non-real estate loans), community/residential developments, debt instruments, commercial developments and individual real estate assets. From time to time, the Adviser may cause each of the Funds or certain Separate Accounts to invest cash held by the Funds or Separate Accounts in temporary investments (“Temporary Investments”) on a short-term basis pending distribution to Fund investors or Separate Account clients, investment in long-term equity investments, or payments of expenses or other obligations of the Funds or Separate Accounts. With respect to each of the Funds, Temporary Investments will principally take the form of warrants, corporate debt securities, commercial paper and certificates of deposit. Capital invested in Temporary Investments and any gains thereon will generally be distributed (or deemed distributed) to Fund investors in proportion to their capital contributions to each such investment, and will not be subject to the payment of carried interest to any entity or the requirement of an internal rate of return to Fund investors.

The Adviser’s main sources of information and investment opportunities are contacts with employees of Morgan Stanley, a public company listed on the New York Stock Exchange (of which the Adviser is a wholly-owned subsidiary), industry executives and established business relationships. Regional investment teams are responsible for performing due diligence on potential investments. Such analysis includes underwriting the potential returns and risks for such investments (including legal, tax, accounting and environmental issues), as well as regularly monitoring the value of such investments. The regional investment teams assess the impact of various macro and microeconomic shifts on potential investments and make recommendations to MSREI on strategies to maximize the value of investments.

Methods of Analysis

Evaluation of Investment Opportunities; Investment Decisions

With respect to each of the Funds, all investment decisions are made by the respective Fund’s general partner upon the advice and recommendation of the Adviser, acting in consultation with the applicable MSREI Investment Committee (where required under the applicable Investment Committee policy). The Investment Committee is comprised of senior professionals of Morgan Stanley, including individuals with a wide range of relevant real estate, investment banking, capital markets, private equity, risk management and business experience.

In connection with making a proposed investment, MSREI prepares analyses to project realizable cash flows and assess the ability of the real estate investment to support its obligations as well as

its potential to appreciate in value. Where appropriate in its analysis, MSREI works with management, developers or other partners and consultants to enhance MSREI's understanding of the real estate investment and its prospects.

MSREI's professionals, through years of real estate industry experience, provide the Funds with significant support in evaluating investment opportunities. In the aggregate, such professionals have knowledge of most of the major real estate markets in the United States and globally. In addition, many of MSREI's professionals are familiar with the real estate classes in which the Funds may consider making an investment. Such in-house industry expertise permits the Funds to respond to investment opportunities in an expedited manner.

Where appropriate, the Adviser retains third-party consultants to assess business and market conditions, competition, physical and environmental concerns and other factors that it deems necessary to review with external advisors.

Management of Risk

After completing an acquisition, the Adviser considers further steps to manage the on-going risk, including managing interest rate and foreign exchange rate exposure, monitoring debt duration and mix of maturities, the sale of properties with limited upside potential, global insurance policies and appropriate economic incentives for property managers, joint venture partners and corporate executives.

Asset Management

The Adviser oversees all of its clients' investments utilizing strict operational and accounting controls in conjunction with periodic site inspections, while corporate management teams, joint venture partners and other third-party property managers are responsible for the day-to-day operations of each investment. The entities responsible for the day-to-day operations of specific investments are compensated in a manner intended to ensure that the interests of these entities are aligned with those of the clients. Generally, this is achieved through equity participation in the investment and compensation linked to the success of the investment.

In connection with MSREI's asset management program, the Adviser supervises and oversees the management of each investment, reviewing the operational discussions, joint venture decisions and third-party property managers with the objective of maximizing the overall performance of each investment. Reporting on the performance of each investment is integral to the clients' asset management program. Status reports on each Client's investments are prepared by the separate asset management or portfolio management teams, joint venture partners and third-party property managers for review by the Adviser. In addition, an operating budget for each property and investment is prepared for review and approval by the Adviser.

A group of senior MSREI team executives comprised of investment and asset management professionals reviews the operations of each Client's investments and approves or disapproves any strategic operating decisions regarding a property or investment. These senior executives

recommend disposition and recapitalization strategies based on the ongoing performance of specific investments and changing market conditions.

Risk Considerations Associated with Investing - In General

The following is a non-exhaustive description of risks associated with investments generally and/or may apply to one or more types of investment technique.

- **General Economic and Market Risks.** The Funds and Separate Accounts' investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the Funds and Separate Accounts' investments. Unexpected volatility or lack of liquidity, such as the general market conditions that have prevailed recently, could impair the Fund and Separate Accounts' profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.
- **Cyber Security-Related Risks.** The Adviser is susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Adviser and its service providers, if applicable, use to service the Fund and the Separate Accounts; or operational disruption or failures in the physical infrastructure or operating systems that support the Adviser or its service providers, if applicable.

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

- **Coronavirus and Public Health Emergencies.** Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and 2019-nCoV ("COVID-19"). In December 2019, an initial outbreak of COVID-

19 was reported in Hubei, China. Since then, a large and growing number of cases have been confirmed around the world. The COVID-19 outbreak has resulted in numerous deaths and the imposition of both local and more widespread “work from home” and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale and significant volatility in financial markets. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Further, key U.S. public health officials expect COVID-19 may continue to worsen in the near term with additional waves of infection across changes in seasons.

The ongoing spread of COVID-19 has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. The global impact of the outbreak has been rapidly evolving, and many countries have reacted by instituting quarantines and restrictions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. These actions are creating disruption in supply chains and economic activity, and adversely impacting a number of industries, including, but not limited to retail, transportation, hospitality, and entertainment and their lenders (and may have significant adverse impacts on the businesses of the Funds and the Separate Accounts and may restrict the Funds and the Separate Accounts’ investment activities and/or impede their ability to effectively achieve their investment objectives). In addition to these developments having adverse consequences for certain properties and operating companies in which the Funds and Separate Accounts may invest and the value of their investments therein, the respective Fund’s general partner’s operations (including those relating to the Funds) could be adversely impacted including through quarantine measures and travel restrictions imposed on the Adviser’s personnel or service providers, or any related health issues of such personnel or service providers. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to the Funds, Separate Accounts or their investments in the form of economic harm, data loss or other negative outcomes. If one or more of the third parties to whom the Funds, Separate Accounts or their respective investments outsource certain critical business activities experience operational failures as a result of the impacts from the spread of COVID-19, or claim that they cannot perform due to a force majeure, it could cause a material adverse effect on the business, financial condition, results of operations and cash flows of the Funds, the Separate Accounts and their investments. Any of the foregoing events could materially and adversely affect the Funds and/or the Separate Accounts’ ability to source, manage and divest their investments and their ability to fulfill their respective investment objectives. Further, if a future pandemic occurs (including a recurrence of COVID-19) during the period of time at the end of the life of the Funds or termination of the Separate Accounts, the Funds and/or Separate Accounts may not be able to realize their investments within their respective terms or at all. Developments regarding COVID-19 and the economic impact thereof (both long-term and short-term) are changing rapidly, and neither the general partners nor the Adviser can predict the potential long-term effects of the pandemic on the Funds and/or Separate

Accounts' and ability of each general partner or the Adviser to achieve the Funds and/or Separate Accounts' investment objective.

The economic disruption brought on by COVID-19 may cause tenants (including business owners) experiencing financial hardship to defer or default on their rent obligations. Since the Funds and the Separate Accounts may invest in real estate properties that generate income by collecting rent from tenants under their lease agreements, the Funds and/or the Separate Accounts' performance may be negatively affected by such deferrals or defaults. Many of the properties that the Funds and the Separate Accounts may invest in are susceptible to risks related to increases in rent defaults or deferrals and forgiveness requests and decreases in rent collection. Additionally, the management companies that manage such properties in which they may invest may not be able to promptly lease properties that are vacant or become vacant because a tenant decides not to renew its lease or by the continued default by a tenant under its lease, and the rental rates and other terms under new leases may be less favorable than the terms of the current lease. In addition, laws and regulations have been implemented (and other laws and regulations are being considered) that place restrictions on lenders in the real estate sector and other industries from exercising certain of their rights in the event of borrower defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, many jurisdictions have instituted residential and commercial protections for non-payment of rent, payment holidays and increased notice periods prior to evictions. These measures may prevent landlords from taking certain actions in response to a tenant's failure to pay rent, which may make it more difficult to replace nonpaying tenants. Such events would have a negative impact on the Funds and/or the Separate Accounts' cash flows and operating results. Further, hospitality properties in which the Funds and the Separate Accounts may invest are particularly exposed to short-term economic disruptions in the global and local economies as their space is let on a short-term basis. In addition, in connection with the impacts of the current pandemic and any future such public health crisis, the Funds and the Separate Accounts are expected to incur heightened legal expenses which could have an adverse impact to their respective returns. For example, but not by limitation, the Funds, the Separate Accounts or their investments may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Funds, the Separate Accounts and/or their investments.

The global real estate markets were adversely impacted by the recent global banking crisis caused in part by COVID-19 and the defaults by certain sovereign states in respect of their obligations, with property values, including the value of commercial real estate, experiencing substantial declines. The general partner or the Adviser cannot predict if future economic conditions will impact these markets adversely, or if economic conditions will deteriorate. Declines in the performance of national economies or the real estate markets globally can have a negative impact on consumer spending, rental revenues and vacancy rates, and as a result, could have a material adverse effect on the Funds' businesses and the Funds and Separate Accounts' financial conditions and results of operations.

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- **Legal and Regulatory Risks.** Section 619 of the Dodd-Frank Act, commonly known as the “Volcker Rule,” and the final implementing regulations thereunder (the “Implementing Regulations”) prohibit, among other things, “banking entities” from sponsoring and investing in “covered funds,” except as permitted pursuant to certain available exemptions. In addition, a “banking entity” may not enter into certain so-called “covered transactions,” as discussed further below, with any “covered fund” (or with any other covered fund controlled by such covered fund) that the banking entity sponsors, organizes and offers or for which the banking entity serves as investment manager, investment advisor or commodity trading advisor. The term “covered fund” includes private equity funds that rely on Sections 3(c)(1) or 3(c)(7) of the Investment Company Act to avoid being treated as “investment companies” under the Investment Company Act. Morgan Stanley is a “banking entity,” and the Funds are “covered funds” for purposes of the Volcker Rule. As the Federal Reserve’s general conformance period for compliance with the Volcker Rule’s restrictions has expired, Morgan Stanley and its affiliates are currently required to comply with the Volcker Rule.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect the Funds, the general partners, the Adviser and the Limited Partners. For example, to sponsor and invest in the Funds, Morgan Stanley relies upon the Implementing Regulations’ so-called “asset management” exemption to the Volcker Rule’s general prohibition on sponsoring and investing in covered funds. Under this exemption, Morgan Stanley may acquire or retain an ownership interest in a Fund so long as, among other things, (i) Morgan Stanley provides bona fide trust, fiduciary, or investment advisory services; (ii) the Fund is organized and offered only in connection with the provision of bona fide trust, fiduciary, investment advisory, or commodity trading advisory services and only to persons that are customers of such services of Morgan Stanley; (iii) any investment by Morgan Stanley in the Funds is generally limited to no more than 3% of the ownership interests of each Fund, measured by reference to both the number of ownership interests and the fair market value of such ownership interests (the “per-fund limit”), and Morgan Stanley’s aggregate permitted investments in all covered funds (aggregated with certain affiliate and employee investments) is limited to the maximum amount permitted by the final regulations, which amount cannot generally be more than 3% of the Tier 1 capital of Morgan Stanley (the “aggregate investment limit”); (iv) Morgan Stanley, as investment advisor, does not enter into a transaction that would be subject to Super 23A (as explained below); (v) Morgan Stanley does not, directly or indirectly, guarantee, assume, or otherwise insure the obligations or performance of each Fund or of any covered fund in which any Fund invests; (vi) each Fund does not share with Morgan Stanley the same name or variation of the same name and does not use the word “bank” in its name; (vii) no director or employee of Morgan Stanley takes or retains an ownership interest in a Fund, except for any director or employee of Morgan Stanley who is directly engaged in providing investment advisory or other qualifying services to such Fund at the time the director or employee takes such interest; (viii) a number of disclosures are clearly and conspicuously disclosed to actual and prospective investors in the Funds; and (ix) the Federal Reserve does not determine that Morgan Stanley’s acquisition or retention of an ownership interest in any Fund is inconsistent with the safe and sound operation and condition of Morgan Stanley.

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

With regard to the Volcker Rule's so-called "Super 23A" provision, Morgan Stanley is prohibited from entering into "covered transactions," as defined in Section 23A of the U.S. Federal Reserve Act, with or for the benefit of the Funds. For example, Morgan Stanley generally is prohibited from providing loans and hedging transactions with extensions of credit or other credit support to the Funds (or to any other covered fund controlled by the Funds), unless such "covered transactions" are permissible without limit under Section 23A of the U.S. Federal Reserve Act. Certain other transactions between Morgan Stanley and the Funds are subject to the market terms requirements of Section 23B of the Federal Reserve Act. Further, the trading and other investment opportunities of the Funds, and Morgan Stanley's ability to rely on the asset management exemption in connection with acquiring or retaining an ownership interest in, or acting as sponsor to, the Funds, may be limited to the extent that such action would involve or result in a material conflict of interest between Morgan Stanley and its clients, customers or counterparties; result, directly or indirectly, in a material exposure to high-risk assets or high-risk trading strategies; or pose a threat to the safety and soundness of Morgan Stanley or to the financial stability of the United States.

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

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

environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

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

It will take some time to observe the many and varied effects on U.K. businesses of the consequences of leaving the single market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the U.K.'s economy, uncertainty, at least in the near term, about the effect of the TCA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the U.K. may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements. The present uncertainty could therefore adversely affect the Fund, the Separate Accounts, the performance of their investments and their ability to fulfil their investment objectives (especially if their investments include, or expose it to, businesses that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials or labor from the single market).

Risk of Loss – Certain Risks Related to Investment Strategy

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

The following list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment in a Fund or a Separate Account. The risks summarized below are described in greater detail in the Confidential Offering Memorandum for each Fund and in appropriate documentation for each Separate Account. In addition, there are other risks (in addition to risks related to our investment strategy) associated with investing in a Fund or in a Separate Account, which are described in the Confidential Offering Memorandum (and in appropriate documentation for each Separate Account). You may also request an updated explanation of risk factors by contacting Morgan Stanley Real Estate Investing Investor Services

as described above.

- potential loss of invested capital;
- risks associated with real estate investments;
- competitive real estate investing environment;
- highly competitive and prevailing regulatory or political climates;
- adverse political developments and regulation in foreign countries;
- reliance on expertise of Morgan Stanley investment professionals;
- significant degree of financial and/or business risk;
- risks arising from the volatility of the real estate markets and private equity, private debt, public equity, public debt, global fixed income and other financial markets;
- failure of counterparties or brokers;
- changes to a client's investment strategies;
- risks of acquiring real estate loans and participations;
- third party partner investment risks for joint ventures and partnerships;
- lack of diversification due to number, location and type of investments;
- lack of protection by financial covenants in debt investments;
- interest rate fluctuations;
- lack of liquidity and long term nature of investments;
- limitations on transfers and withdrawals;
- little or no current return on investments prior to their disposition;
- risks associated with the realization and disposition of investments;
- indemnification;
- tax considerations;
- use of leverage at the partnership and investment level;
- risks of borrowing, including inability to obtain indebtedness on favorable terms;
- commercial and business risks associated with investments in real estate related businesses;
- risks associated with non-U.S. and minority investments;
- potential inability to protect the value of minority equity investments;

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- failure to refinance bridge financing;
 - investments in non-performing, underperforming or other troubled assets;
 - risks arising from providing managerial assistance;
 - reliance on the management of operating companies;
 - interest rate, hedging and currency risks;
 - decision to use hedging techniques;
 - expedited transactions;
 - valuation risks;
 - catastrophic events, pandemics and other force majeure events;
 - limitations on investing due to possession of inside information;
 - burdensome regulation by one or more governmental entities in specific industries and potential for increased regulation; and
 - cybersecurity risks.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of the Adviser's management.

In February 2009, Morgan Stanley announced that it had uncovered actions initiated by an employee based in China in an overseas real estate subsidiary that appear to have violated the United States Foreign Corrupt Practices Act. Morgan Stanley terminated the employee, reported the activity to appropriate authorities and cooperated with investigations undertaken by the DOJ and the SEC. On April 25, 2012, the DOJ announced that the former employee had pled guilty to certain criminal charges, and the SEC announced that it had brought certain civil charges against the former employee which were settled. On the same day, the DOJ and SEC announced that they would not take any action against Morgan Stanley in connection with this matter.

Item 10 – Other Financial Industry Activities and Affiliations

Introduction

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

Broker-Dealer Registration

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

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

To the extent required and/or permitted by law, the Adviser, the Funds, the Separate Accounts, their respective portfolio companies and their respective affiliates may use the commodity pool operator, commodity trading advisor and futures commission merchant registrations or exemptions of one or more of the following related persons: Morgan Stanley Asia Singapore Pte., Morgan Stanley India Infrastructure GP LP, Morgan Stanley Infrastructure GP LP, Morgan Stanley Infrastructure II GP LP, Morgan Stanley Infrastructure III GP L.P., Morgan Stanley Infrastructure III Investors GP SARL, Morgan Stanley Infrastructure Inc., Morgan Stanley Private Equity Asia, Inc., Morgan Stanley Private Equity Asia III, L.L.C., Morgan Stanley Private Equity Asia IV, L.L.C., Morgan Stanley Private Equity Asia V GP ONT, L.P., Morgan Stanley Private Equity Asia, L.L.C., Morgan Stanley Real Estate Special Situations III-GP LLC, MS Capital Partners Adviser Inc., MS Capital Partners V GP L.P., MS Capital Partners V LP, MS Capital Partners VI GP LP, MS Capital Partners VII GP LP, MS Credit Partners II GP Inc., MS Credit Partners II GP L.P., MS Credit Partners III GP L.P., MS Credit Partners III S.a.r.l., MS Energy Partners GP LP, MS Expansion Capital GP Inc., MS Expansion Capital GP LP, MS Expansion Equity GP LP, MS Expansion Credit GP L.P., MS Tactical Value Fund GP LP, MS Thai Private Equity GP LLC, MSREF V International-GP, L.L.C., MSREF V, L.L.C., MSREF VII Global-GP, L.P., MSREF VII Hedging GP Ltd., MSREF VIII Global-F, L.P., MSREF VIII Global-GP, L.P., MSREI IX Global-GP, L.P., MSREI X Global-GP, L.P., MS Senior Loan Partners GP L.P., NH Senior Loan

Fund GP Ltd., Prime Property Fund Asia GP Pte. Limited, Prime Property Fund Europe GP S.a.r.l., SSF Hedging III GP, Ltd, Morgan Stanley AIP GP LP, Morgan Stanley Alternative Investment Partners LP, and Morgan Stanley Investment Management Inc.

Other Material Relationships with Affiliated Entities

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

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

- Participating Affiliates

Investment advice is provided to the Funds, Separate Accounts and their respective general partners, as applicable not only through the Adviser but also through certain of the employees of one or more of the following Participating Affiliates:

- Morgan Stanley & Co. International plc
- Morgan Stanley France SAS
- Morgan Stanley Europe SE
- Morgan Stanley S.V., S.A.U.
- Morgan Stanley LLC
- Morgan Stanley Australia Limited
- Morgan Stanley India Financial Services Private Limited
- Morgan Stanley Asia Limited
- Morgan Stanley Asia (Singapore) PTE
- Morgan Stanley Capital K.K.
- Morgan Stanley Business Consulting (Shanghai) Limited
- Morgan Stanley Private Equity Management Korea, Ltd.

The Participating Affiliates also may provide non-advisory services to the Adviser and the Funds or the Separate Accounts. The Adviser may delegate all or a portion of its advisory or other functions to any of its Participating Affiliates.

The Participating Affiliates will remain subject to the supervision of the Adviser in respect of their provision of services to the Adviser and its advisory clients.

- Other Advisory Affiliates

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

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

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

- Affiliates Acting as Fundraising Broker-Dealers

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

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

The Adviser and the Funds may use registered representatives and/or employees of its affiliates to conduct solicitation activities in relation to new or incoming Limited Partners to the Funds or act as placement agents

- Affiliates Acting as Investment Bankers

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

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

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

In addition, Morgan Stanley could provide investment banking services to competitors of companies in which each of the Funds or the Separate Accounts invests, in which case it will take appropriate steps to safeguard the confidential information of each investment banking client. Morgan Stanley is under no obligation to share and, in fact, may be prohibited by applicable law, from sharing information with the Funds (or the Separate Accounts) or the Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis a Fund or the Separate Account's portfolio companies and may also result in a conflict with respect to the allocation of investment banking resources to portfolio companies. Alternatively, any material non-public information about a potential investment or portfolio company in which Morgan Stanley comes into possession may preclude the Funds or the Separate Accounts from pursuing an investment or exit opportunity with respect to such portfolio company or investment.

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

- Other Limited Partnership Investment Vehicles or Funds

- General; Carried Interests

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

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

- Morgan Stanley Investments and Affiliated Investment Accounts

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

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

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

- Other Morgan Stanley Investment Management Activities

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

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

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

- Management Persons

Officers and employees supporting the Adviser may also serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interest of the portfolio company, which in certain circumstances may not be in the best interests of any of the Funds or Separate Accounts. Companies with which one or more members

of the investment team or other employees of Morgan Stanley are involved may also engage in transactions that would be suitable for the advisory clients, but in which the clients might be unable to invest. Accordingly, in these situations, there may be conflicts of interests between such person's duties as an officer or employee of the Adviser and such person's duties as a director of the portfolio company.

Certain of the Adviser's management persons may also hold positions with the affiliates listed above. In these positions, those management persons of the Adviser may have some responsibility with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of other affiliates. Additionally, these management persons may come into possession of confidential non-public information and may be recused from certain investment-related discussions, including Investment Committee meetings, so that such members do not receive information that would limit their ability to perform functions of their employment with Morgan Stanley unrelated to any of the Funds or Separate Accounts. Consequently, in carrying out their roles with the Adviser or the advisory clients and these other entities, the management persons of the Adviser may be subject to the same or similar conflicts of interest that exist between the Adviser and these affiliates.

Conflict Identification and Mitigation

Morgan Stanley and the Adviser have established procedures intended to identify and mitigate conflicts of interest related to business activities on a worldwide basis. A conflict management officer for each business unit and/or region acts as a focal point to identify and address potential conflicts of interest in their business area. When appropriate, there is an escalation process to senior management within the business unit, and ultimately if necessary to Firm management or the Firm's conflict and franchise committees, for potentially significant conflicts that cannot be resolved in the ordinary course or that otherwise require senior management review. In addition, the Adviser addresses conflicts through disclosure to its investors and should any transactions that present a potential conflict of interest actually arise, the Adviser may in certain situations choose to seek the approval of the investors, limited partners and/or advisory committee for the respective fund with respect to conflicts of interest or approvals required under the Advisers Act, including Section 206(3) and/or the relevant partnership agreement. The Adviser may also choose to seek the approval of Limited Partners of the applicable Funds or investors in Separate Accounts with respect to certain conflict situations or matters under the Advisers Act.

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

Code of Ethics

The Adviser has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act, applicable to persons who are supervised by the Adviser or support the Adviser in providing investment advice to its advisory clients or their applicable general partners or, who have access to non-public information regarding the purchase or sale of securities, or who make securities recommendations to its advisory clients or their applicable general partners, or who have access to such recommendations that are nonpublic ("Access Persons"). Each Access Person is required to acknowledge the Code at the inception of his/her employment and annually thereafter. The Code is designed to make certain that all acts, practices and courses of business engaged in by Access Persons are conducted in accordance with the highest possible standards and to prevent abuse, or even the appearance of abuse, by Access Persons with respect to their personal trading and other business activities.

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

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

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

Personal Trading and Investments

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

Participation or Interest in Client Transactions

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

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

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

Allocation of Investment Opportunities

The Adviser has a governance process in place to give all clients fair access to new real estate investment opportunities in the territories made available to such clients. The following factors will be considered, as appropriate, in connection with allocation decisions:

- Investment guidelines, goals or restrictions of the client
- Capacity and execution capability of the client (i.e. availability of capital)
- Existing allocation to similar strategies and the diversification objectives of the client
- Tax, legal or regulatory considerations
- With respect to co-investment allocations, whether the co-investor can add value to the operations of the business or provide future opportunities to the business of the client (see also “Allocation of Co-Investment Opportunities” below)
- Rights of first offer in favor of one or more clients
- Projected returns (as underwritten)
- Issuer, industry and geographical concentrations
- Client investment horizon
- Liquidity requirements
- Risk concentration limits (if any)
- Other relevant business considerations

The Adviser is empowered to take into account other considerations it deems appropriate to ensure a fair and equitable allocation of opportunities.

Allocation of Co-Investment Opportunities

Each general partner of a Fund may offer co-investment opportunities with respect to none, some or all of a Fund’s investments. In the event that any general partner offers co-investment opportunities, such opportunities will be offered pursuant to the terms of the applicable Fund’s

partnership agreement. With respect to certain of the Funds, certain of the investors may have priority rights (but not obligations) to participate in co-investment opportunities, subject to the terms and conditions of the applicable partnership agreement, subscription agreement, side letter agreement or other agreement setting forth such priority rights. After the allocation of co-investment opportunities to such investors with priority rights to co-investment opportunities (if any), a general partner may allocate the remainder (if any) of co-investment opportunities among interested parties in its sole discretion including for example, on the basis of the size of investor commitments to a Fund and other Affiliated Investment Accounts as well as a broad range of other considerations, including, commercial considerations for the applicable portfolio investment, a Limited Partner's stated desire to participate in co-investments, the applicable general partner's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties. There can be no assurance with respect to the amount of any co-investment opportunity that will be made available to a Limited Partner in connection with the applicable Fund, and there is no guarantee, prediction or projection of the availability to a Limited Partner of future co-investment opportunities.

Investing in any of the Funds does not entitle a Limited Partner to allocations of co-investment opportunities. Co-investment opportunities may, and typically will, be offered to some and not other investors or to third parties (including affiliates of Morgan Stanley) who are not investors in any of the Funds. In addition, subject to the foregoing priority rights (if applicable), an investor may be offered fewer co-investment opportunities than investors with the same or smaller capital commitments in a Fund and other Affiliated Investment Accounts, and some investors may receive no such offers while other investors with capital commitments of the same or lower amount may receive substantial offers for such opportunities. Limited Partners are not required to participate in co-investments offered by any of the general partners. The actual number of co-investment opportunities made available to Limited Partners may be significantly higher or lower than those made available in connection with other Affiliated Investment Accounts.

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

Item 12 – Brokerage Practices

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

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

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

Item 13 – Review of Accounts

With respect to each Fund, each general partner's Investment Committee for each Fund reviews and approves all significant proposed investment decisions made on behalf of the relevant fund (where required under the applicable Investment Committee policy). The members of the Investment Committee for each Fund are identified in the Supplements to the Adviser's Brochure in Form ADV Part 2B.

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

The Adviser provides written quarterly unaudited reports and annual audited reports to the Limited Partners of each Fund as well as to investors in certain Separate Accounts which include, among other things, financial statements and descriptions of the investments of each Fund and Separate Account.

Item 14 – Client Referrals and Other Compensation

The Adviser may from time to time compensate placement agents (which may include certain of its affiliates) in return for referrals of Limited Partners. Any additional compensation paid specifically for such referrals will meet the requirements of Rule 206(4)-3 under the Advisers Act, if applicable.

Item 15 – Custody

The Adviser is deemed to have custody of each of the Funds' cash and securities by virtue of its relationship with the general partners of the Funds. Each Limited Partner of such Funds receives audited financial statements prepared in accordance with generally accepted accounting principles or such other international accounting standards as may be appropriate for such Fund within 120 days of the end of such Fund's fiscal year.

Pursuant to the governing documents of certain Separate Accounts, investors in such Separate Accounts receive financial statements prepared in accordance with International Financial Reporting Standards and audited in accordance with generally accepted accounting standards in the United States by an independent public accountant registered with the Public Company Account Oversight Board.

Item 16 – Investment Discretion

As the manager of the general partners of Funds, the Adviser (together with the general partners of the Funds) will have discretion to determine, without consent of the applicable Fund's Limited Partners, the particular investments to be bought and sold, the broker or dealer (including a Morgan Stanley affiliate) to be used (if any) and the commission rates to be paid by the Funds in cases where a broker or dealer is used. The Adviser will provide investment advice to each Fund, subject to certain investment limitations regarding concentration and diversification, geography and type of permitted investments as set forth in the respective partnership agreement. Such investment limitations may be disregarded with the consent of the Fund's Advisory Committee, as set forth in the applicable partnership agreement.

When executing transactions on behalf of any Fund through a broker, dealer or underwriter, the Adviser's objective will be to obtain the most favorable commission and the best price available on each transaction in light of the quality of execution provided. Consequently, brokers, dealers and underwriters are selected primarily on the basis of their execution, capability and trading expertise.

Investment discretion is assumed pursuant to the relevant partnership agreement, which confers express authority to the Fund's general partner and its affiliates (including the Adviser) to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments.

Generally, the Adviser does not have the same level of discretion with respect to Separate Account clients, as major decisions regarding investments made by certain Separate Accounts require investor approval. The exact parameters of the Adviser's discretion are set forth in the Separate Account's governing documents as negotiated and agreed upon by the parties.

Item 17 – Voting Client Securities

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

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

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

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

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

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

Item 18 – Financial Information

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