

## Part 2A of Form ADV: Firm Brochure

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Morgan Stanley Private Equity Asia, Inc.

As Adviser to

North Haven Thai Private Equity L.P.

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March 30, 2022

This Brochure provides information about the qualifications and business practices of Morgan Stanley Private Equity Asia, Inc. (the “Adviser”), as Adviser to the Fund (as defined in Item 4 below). If you have any questions about the contents of this Brochure, please contact Morgan Stanley Investment Management Investor Services at (212) 761-7160 or email [MSPCE@seic.com](mailto:MSPCE@seic.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Additional information about the Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

We provide this brochure to our clients as well as limited partners of North Haven Thai Private Equity L.P. and its related funds (collectively, the “Limited Partners”). There have been no material updates since the last distribution of this Brochure, dated March 31, 2021.

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

Our Brochure may be requested by contacting Morgan Stanley Investment Management Investor Services at (212) 761-7160 or email [MSPCE@seic.com](mailto:MSPCE@seic.com).

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### Item 3 – Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	5
Item 7 – Types of Clients.....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9 – Disciplinary Information .....	16
Item 10 – Other Financial Industry Activities and Affiliations .....	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	25
Item 12 – Brokerage Practices .....	28
Item 13 – Review of Accounts .....	29
Item 14 – Client Referrals and Other Compensation.....	30
Item 15 – Custody.....	31
Item 16 – Investment Discretion.....	32
Item 17 – Voting Client Securities .....	33
Item 18 – Financial Information .....	34

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## **Item 4 – Advisory Business**

Morgan Stanley Private Equity Asia, Inc. (the “Adviser”) was formed in 2005 and registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in 2005.

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

As of December 31, 2021, the Adviser had approximately \$4,324,878,320 of regulatory assets under management, all of which are managed on a discretionary basis.

The Adviser provides investment advisory services to North Haven Thai Private Equity L.P. (together with other related parallel, co-investment and feeder vehicles, the “Thai Fund” or the “Fund”). The Thai Fund intends to generate returns by making investments (“Portfolio Investments”) consisting primarily of equity and equity-related securities of entities with significant operations in Thailand, Cambodia, Laos, Myanmar, or Vietnam that are acquired in private negotiated transactions (“Private Equity Securities”). Portfolio Investments may also consist of other investments in Private Equity Securities, publicly traded equity and equity-related securities, as well as public or private debt securities, and investments, assets and instruments related to the foregoing.

The Adviser and the Thai Fund will receive sub-advisory services from an affiliate, Morgan Stanley (Thailand) Limited (the “Sub-Advisor”). The Sub-Advisor may provide assistance with respect to the following: strategic planning for the Thai Fund, recommending investment opportunities, recommending strategic exit opportunities with respect to the Thai Fund’s investments, monitoring performance of the Thai Fund and providing such other assistance as the Thai Fund may require in connection with its day-to-day operations, legal entity management and investment activities.

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 Thai Fund; or (iii) certain non-U.S.-affiliated advisers that may provide advice or research for the Adviser for use with the Thai Fund (in such capacity, “Participating Affiliates”).

On March 1, 2021, Morgan Stanley acquired 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.

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## **Item 5 – Fees and Compensation**

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

### ***Management Fees***

The Adviser generally receives an annual management fee (the “Management Fee”) from the Fund equal to 2% of capital committed during the investment period and on invested capital thereafter. The Management Fee is funded by the Limited Partners and is payable in advance (see also “Co-Investments” below for additional information on the fees and expenses relating to co-investments).

The Adviser and its professionals may charge portfolio companies transaction fees, sponsor fees, advisory fees, monitoring fees, break-up fees and other similar fees. An amount equal to each Limited Partner’s share of 100% of all such fees (other than fees received in respect of certain investment banking, advisory and other customary activities and services engaged in by Morgan Stanley in its role as an investment banking and brokerage firm) paid by portfolio companies or proposed portfolio companies and 100% of all directors’ fees paid to the Adviser, the General Partner or any of the investment professionals dedicated to the Fund (as described in the private placement memorandum of the Fund together with any supplements thereto, the “Private Placement Memorandum”) in connection with a portfolio company, will generally be applied to reduce the Management Fee otherwise payable to the Adviser by the Limited Partners. All such fees will be allocated among the Fund and any co-investing entities on the basis of committed capital by each to the relevant investment. Management Fee reductions will be carried forward to offset against subsequent Management Fee obligations.

### ***Carried Interest***

MS Thai Private Equity GP LLC, the general partner of the Fund (the “General Partner”), is generally entitled to carried interest with respect to each Limited Partner equal to 20% of such Limited Partner’s profits from each Thai Fund investment, subject to satisfaction of an 8% internal rate of return, compounded annually, for such investment and previously realized investments and related management fees and other expenses. Such carried interest is earned on an investment-by-investment basis and is not payable until proceeds are realized from an investment (see also “Co-Investments” below for additional information on the fees and expenses relating to co-investments).

### ***Expenses***

The Thai Fund may also bear certain out-of-pocket expenses incurred by the Adviser and/or its affiliates in connection with the services provided to the Thai Fund. The payment of such expenses by the Fund does not represent a source of profit for the Adviser, but rather is a reimbursement of actual costs initially paid by the Adviser (or its affiliates) and subsequently passed through to the Thai Fund. The most common expenses include (i) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential Thai Fund investment and the acquisition, management, holding, sale, proposed

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sale or valuation of any Thai Fund investment (including meals, entertainment and travel expenses incurred by Morgan Stanley and its employees in connection with identifying, negotiating, executing or managing consummated Thai Fund investments or unconsummated Thai Fund investments); and (ii) ordinary administrative expenses, including fees of auditors, attorneys, appraisers and other professionals auditing, accounting, banking and consulting expenses (including expenses paid to the Adviser or to any of its affiliates for services rendered on an arms-length basis in connection with the Fund's affairs). Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

### ***Placement Agent Fees***

Broker-dealers (which may include the Adviser's affiliates) may have acted as placement agents to assist in the placement of the Thai Fund's interests. Any placement fee payable by an investor will be in addition to that investor's capital commitment. The amount of any placement fee will be described in the placement agent's point of sale letter. However, the placement agents or distributors may in their sole discretion waive the placement fees payable by an investor, including an investor that is an employee or affiliate of the General Partner and/or the Adviser.

### ***Co-Investments***

The terms of a co-investment applicable to one co-investor may be different than the terms applicable to another co-investor, including that certain co-investors may be required to pay a carried interest and/or management fees while other co-investors (including affiliates of Morgan Stanley) may not be required to pay such amounts. The Adviser or the General Partner may or may not charge management 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 the General Partner as a result of, among other things, the receipt of any such fees or carried interest, capital commitments to the Fund and capital commitments to other affiliated investment accounts. Co-investors in one or more specific investments will not necessarily be required to share in broken-deal expenses that are paid by the Fund, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Fund. The performance of co-investments is not aggregated with that of the Fund, including for purposes of determining the General Partner's carried interest or the Adviser's management fees under the Partnership Agreement. See also "Allocation of Co-Investment Opportunities" in Item 11 below for additional information on the allocation of co-investment opportunities.

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### ***Disparate Fee Arrangements with Service Providers***

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

The Private Placement Memorandum includes further details on fees and compensation and related matters.

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

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

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

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## **Item 7 – Types of Clients**

The Adviser provides portfolio management services to pooled investment vehicles. These pooled investment vehicles are not subject to regulation under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, the Thai Fund’s investors were required to invest a minimum of \$250,000 (less in the case of limited partners who are employees of Morgan Stanley and its affiliates). The General Partner reserves the right to waive any minimum investment requirement in its discretion.

Limited Partner interests in the Fund (the “Interests”) were able to 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, and (ii) to the extent any eligible U.S. persons invest, “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.

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

### **Investment Strategies**

The Thai Fund will make private equity and equity-related investments in entities with significant operations in Thailand, Cambodia, Laos, Myanmar or Vietnam in a broad range of industries. The Thai Fund expects to pursue private equity investments which leverage the attractive growth profile of Thailand's growing consumer class and economic integration with the neighboring economies of Cambodia, Laos, Vietnam, and Myanmar. The Thai Fund will generally invest in privately negotiated transactions in which it takes primarily influential minority equity positions where the professional investment team of the Sub-Advisor (the "Advisory Team") is able to exercise influence and add value to investments made. The Thai Fund will make investments mostly in private, non-listed companies, and the Fund will seek to invest in companies with clear value propositions and market leadership or other competitive advantages. The Thai Fund will generally target a three- to five- year holding period for investments and will attempt to identify multiple exit strategies for each position, primarily public equity offerings, but also selectively private sales and recapitalizations. The General Partner is a 90%/10% joint venture between Morgan Stanley and Bangkok Bank Public Company Limited ("Bangkok Bank"). The combined resources of Morgan Stanley and Bangkok Bank enable the Thai Fund to offer a unique, differentiated value proposition to investors.

### **Methods of Analysis – Investment Process**

The investment committee (the "Investment Committee"), consisting of both seasoned investment professionals and other Morgan Stanley business leaders, will be involved throughout the entire investment process, including initial review and evaluation of potential investments, consideration of applicable industry dynamics and approval of the Fund's investments. The Investment Committee brings to bear the combined global investment experience and perspectives of some of Morgan Stanley's most senior and experienced professionals to determine whether the Fund's investments meet the most stringent criteria consistent with global best practices. Members of the Advisory Team and Bangkok Bank will not be entitled to vote on the Investment Committee.

Each investment opportunity identified by the Advisory Team is first reviewed, based on preliminary discussions with management, to determine the key parameters of the opportunity and the competitive strengths of the company. In addition, the Advisory Team undertakes an initial review of industry research and industry experts' views to gain an understanding of the overall industry dynamics and the company's competitive positioning. Following this review, the Advisory Team determines whether it is likely to meet the Investment Committee's strict investment criteria and subsequently decides whether it merits further development, research and the devotion of additional resources.

If an investment opportunity passes preliminary screening, the Advisory Team then performs due diligence, generally with management, to achieve a comprehensive understanding of the company's competitive positioning and the opportunities and risks associated with the proposed investment. The Advisory Team's analytic process includes constructing business and financial scenarios that test operating and

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capital structure assumptions and estimate potential returns from the investment. The Advisory Team draws on other experts from both within and outside Morgan Stanley, including experienced industry executives, research analysts and investment banking professionals who cover the relevant countries, industries and companies.

If an investment opportunity meets the Investment Committee's investment criteria and standards, the Advisory Team then assembles a dedicated transaction team that consists of legal counsel, financial and tax accountants, and if necessary, other advisors such as industry experts to assist with formal due diligence, structuring and negotiations. The Advisory Team and advisors undertake a thorough due diligence review to ensure the transaction, structure and terms take into account all relevant data points specific to the opportunity, including key leverage points that can be utilized to negotiate the most favorable terms.

### **Risk Considerations Associated with Investing - In General**

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

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

Cyber-attacks against, or security breakdowns of, the Adviser or its service providers, if applicable, may adversely impact the Adviser and the Fund, potentially resulting in, among other things, financial losses; the Adviser's inability to transact business on behalf of the Fund; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Adviser may incur additional costs related to cyber security risk management and remediation. In addition, cyber security risks may also impact portfolio companies in which the Adviser invests on behalf of the Fund, which may cause the Fund's investment 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

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seeking to address system breaches or failures, there are inherent limitations in such plans and systems.

- **Epidemics and Pandemics.** There has been an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a global pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact, to the private equity industry and global markets as a whole, is currently unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions 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. Many businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Fund and its portfolio companies and could meaningfully affect the Fund’s ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the Fund’s portfolio companies’ operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of the Fund’s portfolio companies, the Fund’s ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and the Fund’s ability to achieve its investment objectives, all of which could result in significant losses to the Fund. The full impacts of the pandemic on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic, price shocks and related externalities, are not yet fully identified or understood. In implementing the Fund’s investment strategy, Morgan Stanley will make a number of assumptions, including as to the severity of the consequences of COVID-19

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to the U.S. and global economies as well as prospective portfolio companies. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of the pandemic on economies and specific portfolio companies, may be detrimental to the Fund and its investments.

In addition, the operations of the Fund, its portfolio companies, and Morgan Stanley may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the key members of the Investment Team, or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Fund is expected to incur heightened legal expenses which could similarly have an adverse impact to the Fund's returns. For example, but not by limitation, the Fund or its portfolio companies could be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Fund and/or its portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to the Fund or its portfolio companies in the form of economic harm, data loss or other negative outcomes.

The U.S. Food and Drug Administration and other public health agencies outside of the U.S. have recently approved COVID-19 vaccines for emergency use. While, in the United States, these vaccines have been made available to the general public since approximately May 2021, in certain regions both within and outside of the U.S., they are subject to limited supply and face various distribution challenges, and, as a result, the pace of vaccine uptake is varied and could plateau. As newly developed vaccines, not all of the side effects are currently known. A substantial proportion of the population may choose to "wait and see" before getting vaccinated, which could prolong the effects of COVID-19. In addition, the vaccines have been found to be about 95 percent effective, which means a small portion of the population that receives such vaccinations may not be protected against the disease. Furthermore, such vaccines may have reduced efficacy against certain existing or emerging variants of COVID-19, and emerging variants may be more transmissible or deadly than existing variants of COVID-19. It is expected that various jurisdictions will encounter similar issues with respect to COVID-19 vaccines. There can be no assurance on the continuing effects of COVID-19 on the economy generally or its effect on the Fund and its ability to achieve its investment objectives.

- **Legal and Regulatory Risks.** Section 619 of the Dodd-Frank Act, commonly known as the "Volcker Rule," and regulations to implement the Volcker Rule issued by the U.S. federal financial regulators ("Implementing Regulations"), prohibit "banking entities" from sponsoring and investing in covered funds, except as permitted pursuant to certain available exemptions. In addition, a banking entity may not enter into certain so-called "covered transactions," as discussed further below, with any "covered fund" that the banking entity sponsors, organizes and offers or for which the banking entity serves as investment manager, investment adviser or commodity trading advisor, or any covered fund controlled by such a covered fund, except as will be permitted pursuant to certain available exemptions. The term "covered fund" includes, among others, private-equity funds that are privately offered in the United States and that rely on Sections 3(c)(1)

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or 3(c)(7) of the Investment Company Act to avoid being treated as “investment companies” under the Act. Morgan Stanley and its affiliates are banking entities, and the Fund is a covered fund for purposes of the Volcker Rule and the Implementing Regulations. As the Federal Reserve’s general conformance period for compliance with the Volcker Rule’s restrictions has expired, Morgan Stanley and its affiliates are currently required to comply with the Volcker Rule.

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

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

With regard to the Volcker Rule’s so-called “Super 23A” provision, Morgan Stanley generally is prohibited from entering into “covered transactions,” as defined in Section 23A of the U.S.

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Federal Reserve Act, with or for the benefit of the Fund, other than covered transactions that would be exempt under section 23A of the Federal Reserve Act and meet the criteria specified in Regulation W for such exemption, and limited exceptions, such as certain “riskless principal” transactions, short-term extensions of credit and purchases of assets in the ordinary course of business in connection with payment transactions settlement services, or futures, derivatives, and securities clearing activities. For example, Morgan Stanley is prohibited from providing loans and extensions of credit pursuant to hedging transactions or other credit support to the Fund (or to any other covered fund controlled by the Fund), other than certain intraday extensions of credit. Certain other transactions between Morgan Stanley and the Fund are subject to the market terms requirements of Section 23B of the Federal Reserve Act. Further, the trading and other investment opportunities of the Fund, and Morgan Stanley’s ability to rely on the asset management exemption in connection with acquiring or retaining an ownership interest in, or acting as sponsor to, the Fund, may be limited to the extent that such action would involve or result in a material conflict of interest between Morgan Stanley and its clients, customers or counterparties; result, directly or indirectly, in a material exposure to high-risk assets or high-risk trading strategies; or pose a threat to the safety and soundness of Morgan Stanley or to the financial stability of the United States.

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

As a registered investment advisor under the Advisers Act, the Adviser is required to comply with a number of periodic reporting and compliance-related obligations under applicable U.S. and state securities laws. Recently proposed rules by the SEC related to private funds would, if adopted, impose significant additional burdens and requirements on private funds and their advisers (including the Adviser and the Fund).

- **Geopolitical Events and Risks.** Economies and financial markets worldwide are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions, including in ways that are difficult to predict or foresee. The impacts of these events can be exacerbated by failures of governments and societies to respond adequately to an emerging event or threat. For example, local or regional armed conflicts have led to significant sanctions against certain countries and persons and companies connected with certain countries by the United States, Europe and other countries. Such armed conflicts and sanctions and other local or regional developments can exacerbate global supply and pricing issues, particularly those related to oil and gas, and result in other adverse developments and circumstances, as well as increased general uncertainty, for markets, economies, issuers, businesses and societies globally. Although these types of events have occurred and could also occur in the future, it is difficult to predict when similar events or conditions affecting the U.S. or global financial markets and economies may occur, the

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effects of such events or conditions, potential retaliations in response to sanctions or similar actions and the duration or ultimate impact of those events. Any such events or conditions could have a significant adverse impact on the value and risk profile of the Fund and its investments, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

### **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 investment strategy entails a high degree of risk and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Thai Fund.

An illustrative list of risk factors is set forth below:

- direct and indirect consequences of potential political, economic, social and diplomatic changes in Thailand, Cambodia, Laos, Myanmar and Vietnam;
- uncertainty regarding the economies of certain countries and jurisdictions in ASEAN;
- limitations or restrictions on foreign investments in certain industries or in the securities of resident companies;
- inability to obtain government approval of repatriation transactions;
- risks related to unfavorable tax treatments or changes to taxation treaties or interpretations of taxation treaties between Thailand and jurisdictions in which the Fund or any of its subsidiaries hold investments;
- use of hedging techniques;
- lack of diversification;
- lack of protection by financial covenants in debt investments;
- underdeveloped accounting, auditing and financial reporting standards;
- risks associated opportunistic investment strategies in certain industries;
- participation in emerging securities markets;
- economic and market influence on individual securities markets of ASEAN;
- illiquidity of investments;

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- limitations on transfers and withdrawals;
  - risks associated with the realization and disposition of investments;
  - leverage at the level of the Fund and/or portfolio companies;
  - risks arising from providing managerial assistance;
  - potential loss of invested capital;
  - highly competitive and volatile markets;
  - reliance on expertise of Morgan Stanley investment professionals;
  - unfavorable performance of a single portfolio investment;
  - inability to execute exit strategy;
  - contingent liabilities in connection with the disposition of investments;
  - little or no current return on investments prior to their disposition;
  - possession of material, non-public information concerning an investment or potential investment;
  - significant degree of financial and/or business risk;
  - risks arising from providing managerial assistance;
  - exposure to portfolio and related party claims;
  - risks associated with making non-U.S. investment and minority investments;
  - exposure to portfolio and related party claims;
  - potential inability to protect the value of minority equity investments;
  - reliance on portfolio company management;
  - catastrophic events, pandemics and other force majeure events;
  - potential liabilities related to portfolio company restructurings; and
  - changes in general economic conditions and global economic and political events.

The foregoing list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment in the Thai Fund. The risks summarized above are described in greater detail in the Private

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Placement Memorandum provided to Limited Partners. In addition, there are other risks (in addition to risks related to our investment strategy) associated with investing in the Thai Fund, which are described in the Private Placement Memorandum. You may also request an updated explanation of risk factors by contacting Morgan Stanley Investment Management Investor Services at the contact details set forth above.

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**Item 9 – Disciplinary Information**

The Adviser has no information applicable to this Item.

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## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Introduction**

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

Bangkok Bank, which holds a 10% economic interest in the General Partner and holds certain contractual rights in relation to its interest in the General Partner, engages in a full range of commercial banking services, providing banking services to the business sector in Thailand. Bangkok Bank engages in a broad spectrum of activities, including investment activities, and has extensive relationships and interests that are independent from, and may from time to time conflict with, the interests of the Fund. Bangkok Bank has a significant international footprint, providing networking and advisory assistance to its client base. Through its subsidiary, Bualuang Securities Public Company Limited ("Bualuang Securities"), Bangkok Bank also offers a full suite of securities and investment banking services ranging from retail and institutional brokerage, online trading, research and corporate access, investment banking as well as derivatives trading. Employees of Bangkok Bank who support the Fund may also have interests separate from those of Bangkok Bank and the Fund. There can be no assurance that conflicts of interest relating to Bangkok Bank and its employees will be resolved in favor of the Fund or its investors.

### **Broker-Dealer Registration**

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

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

To the extent required and/or permitted by law, the Adviser, the Fund, their respective portfolio companies and their respective affiliates may use the commodity pool operator, commodity trading advisor and futures commission merchant registrations or exemptions of one or more of the following related persons: Morgan Stanley Asia Singapore Pte., Morgan Stanley India Infrastructure GP LP, Morgan Stanley Infrastructure GP LP, Morgan Stanley Infrastructure II GP LP, Morgan Stanley Infrastructure III GP L.P., Morgan Stanley Infrastructure III Investors GP SARL, Morgan Stanley Infrastructure 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 Real Estate Special Situations III-GP LLC, MS Capital Partners

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Adviser Inc., MS Capital Partners V GP L.P., MS Capital Partners V LP, MS Capital Partners VI GP LP, MS Capital Partners VII GP LP, MS Capital Partners CV GP LLC, MS Credit Partners II GP Inc., MS Credit Partners II GP L.P., MS Credit Partners III GP L.P., MS Credit Partners III S.a.r.l., MS Energy Partners GP LP, MS Expansion Equity GP LP, MS Expansion Equity IX GP LP, MS Expansion Capital GP Inc., MS Expansion Capital GP LP, MS Expansion Credit GP L.P., MS Expansion Credit II GP LP, MS Tactical Value Fund GP LP, MS Thai Private Equity GP LLC, MSREF Real Estate Advisor Inc., MSREF V International-GP, L.L.C., MSREF V, L.L.C., MSREF VI International-GP, L.L.C., MSREF VII Global-GP, L.P., MSREF VII Hedging GP Ltd., MSREF VIII Global-F, L.P., MSREF VIII Global-GP, L.P., MSREI IX Global GP L.P., MSREI X Global-GP, L.P., MS Senior Loan Partners LP L.P., NH Senior Loan Fund GP Ltd., Prime Property Fund Asia GP Pte. Limited, Prime Property Fund Europe GP S.a.r.l., Morgan Stanley Next Level Fund GP, LLC, SSF Hedging III GP, Ltd., Morgan Stanley AIP GP LP, Morgan Stanley Alternative Investment Partners LP, and Morgan Stanley Investment Management Inc.

### **Other Material Relationships with Affiliated Entities**

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

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

- Participating Affiliates

Investment advice is provided to the Fund and the General Partner not only through the Adviser but also through certain of the employees of one or more of the following Participating Affiliates:

- Morgan Stanley Private Equity Management Korea Ltd.
- Morgan Stanley India Financial Services Private Limited
- Morgan Stanley Asia Limited
- Morgan Stanley Investment Management Consultancy (Shanghai) Limited
- Morgan Stanley (Thailand) Limited

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

These Participating Affiliates may or may not be registered with the SEC as investment advisers but are foreign affiliated advisers that may provide advice or research for the Adviser for use with the Fund.

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

The Adviser has delegated a substantial portion of its advisory duties, including but not limited to assistance with respect to strategic planning for the Fund, recommending investment opportunities, recommending strategic exit opportunities with respect to the Fund's investments, monitoring performance of the Fund and providing such other assistance as the Fund may require in connection with its day-to-day operations, legal entity management and investment activities to the Sub-Adviser, pursuant to an agreement by and among the Adviser, Sub-Adviser, the Fund and the General Partner.

- 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., MSREF V, L.L.C., MSREF Real Estate Advisor, Inc., MSRESS III Manager, L.L.C., Mesa West Capital, LLC, Eaton Vance Management, Eaton Vance WaterOak Advisors, Calvert Research and Management, Parametric Portfolio Associates LLC, Atlanta Capital Management Company LLC, Boston Management and Research, Eaton Vance Advisers International Ltd., Eaton Vance Trust Company, Morgan Stanley Eaton Vance CLO Manager and Morgan Stanley Eaton Vance CLO CM LLC.

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

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

- Affiliates Acting as Fundraising Broker-Dealers

Broker-dealers that are affiliates of Morgan Stanley may have acted as placement agents (the "Placement Agents") to assist in the placement of Interests to certain Limited Partners (such as Limited Partners, the "Solicited Partners"). The potential for the Placement Agents to receive compensation in connection with a Solicited Partner's investment in the Fund may have presented a potential conflict of interest in recommending that such Solicited Partner purchase Interests.

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The prospect of receiving, or the receipt of, additional compensation by the Placement Agents may provide such Placement Agents and their salespersons with an incentive to favor sales of interests in funds whose affiliates make similar compensation available over sales of interests in funds (or other fund investments) with respect to which the Placement Agent does not receive additional compensation, or receives lower levels of additional compensation. 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.

#### Affiliates Acting as Investment Bankers

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

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

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

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

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

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While Bangkok Bank is expected to work closely with the Fund and utilize its network of clients on a privileged basis, Bangkok Bank is not obligated to do so and may be limited, prohibited or superseded by other contractual obligations or negated by applicable laws or regulations. Furthermore, there is no assurance that Bangkok Bank will present any investment opportunity to the Fund, whether on a first priority basis or otherwise. If Bangkok Bank does present an investment opportunity to the Fund, such investment opportunity may not be on terms that are equivalent or more favorable than those presented to other third parties. Finally, Bangkok Bank may compete with the Fund for investment opportunities and may sponsor or otherwise support competing investment vehicles (potentially on terms that are more favorable to such vehicles, other sponsors or itself than the terms governing its relationship to the Fund and the General Partner). Such considerations may influence Bangkok Bank when interacting with the Fund and the Adviser.

Also, if Bualuang Securities is advising a company, the Fund may be restricted from seeking to acquire such company, or from competing with such company on a bid for a third party.

- 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.

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

In addition, Bangkok Bank or an affiliate thereof is expected to (a) make a capital commitment to the Fund that will not exceed 10% of the aggregate capital commitments of the Fund, (b) hold a 10% economic interest in the General Partner and (c) hold certain contractual rights in relation to its interest in the General Partner. The interests of Bangkok Bank may therefore diverge significantly from the interests of other Limited Partners. For example, Bangkok Bank may be

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incentivized to seek higher investment returns and potentially riskier investments than other Limited Partners because it is entitled to a share of the carried interest.

- Morgan Stanley Investments and Affiliated Investment Accounts

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

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

In some cases, Morgan Stanley or an Affiliated Investment Account may invite the Fund to co-invest with it or the General Partner may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Fund, in either the same or different tiers of a portfolio company’s capital structure or in an affiliate of such portfolio company. To the extent the Fund holds investments in the same portfolio company or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict.

- Other Morgan Stanley Investment Management Activities

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

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

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

- Management Persons

Officers and employees supporting the Adviser may also serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interest of the portfolio company, which in certain circumstances may not be in the best interests of the Fund. 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 Fund, but in which the Fund might be unable to invest. Accordingly, in these situations, there may be conflicts of interests between such person’s duties as an officer or employee of the Adviser and such person’s duties as a director of the portfolio company.

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

In addition, certain management persons of the Sub-Advisor and Bangkok Bank will have senior management roles with other companies that are not affiliated with the Adviser or the Sub-Advisor.

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These roles may subject such persons to conflicts of interest, particularly as some of these companies engage in similar lines of business as the Fund. For example, the interest of the Fund or its portfolio companies may conflict with the interest of such companies or with such persons' duties to the Sub-Advisor and the Fund.

As a result of such roles with other companies, such management persons may receive confidential or material non-public information. Receipt of such information could result in the Fund being precluded (including by applicable law or internal policies or procedures) from pursuing an investment or exit opportunity with respect to a portfolio company or investment opportunity, or in the Fund taking actions that it would not otherwise have taken with respect to such portfolio company or investment opportunity, which could be detrimental to the Fund. In addition, such management persons may be precluded from disclosing such information to the Adviser, General Partner or any member of the Advisory Team or Investment Committee, even if such information would benefit the Fund. Therefore, the Fund may be prevented from receiving material non-public information in the possession of such management persons that might be relevant to an investment decision to be made by the Fund. The Fund could initiate a transaction or acquire or sell an investment that it would not have done if such information had been known to it.

These management persons may be recused from certain investment-related discussions or involvement in certain transactions in order to mitigate conflicts and manage information flow. Such recusal could deprive the Fund of the benefit of such management persons' services with respect to the affected investments and could result in the Fund missing out on investment opportunities or otherwise being disadvantaged. For example, it is expected that the Fund would not participate in the acquisition or disposal of a company with which a senior management person is involved.

### **Conflict Identification and Mitigation**

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

In addition, the Adviser, the General Partner and affiliates of Bangkok Bank, are subject to certain protocols and procedures to help mitigate issues arising from roles and activities of certain employees and officers outside activities.

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

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

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

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

### **Personal Trading and Investments**

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

### **Participation or Interest in Client Transactions**

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

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

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

### **Allocation of Investment Opportunities**

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

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

### **Allocation of Co-Investment Opportunities**

The General Partner of the Fund may offer co-investment opportunities with respect to none, some or all Fund investments. In the event that the General Partner offers co-investment opportunities, such opportunities will be offered pursuant to the terms of the Partnership Agreement. Certain Fund investors may have priority rights (but not obligations) to participate in co-investment opportunities, subject to the terms and conditions of the Partnership Agreement, subscription agreement, side letter agreement or other agreement setting forth such priority rights. After the allocation of co-investment opportunities to such investors with priority rights to co-investment opportunities (if any), the General Partner may allocate the remainder (if any) of co-investment opportunities among interested parties in its sole discretion including for example, on the basis of the size of investor commitments to the Fund and other Affiliated Investment Accounts as well as a broad range of other considerations, including, commercial considerations for the applicable portfolio investment, a Limited Partner's stated desire to participate in co-investments, the General Partner's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties. There can be no

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assurance with respect to the amount of any co-investment opportunity that will be made available to a Limited Partner in connection with the Fund, and there is no a guarantee, prediction or projection of the availability to a Limited Partner of future co-investment opportunities.

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

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

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## **Item 12 – Brokerage Practices**

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

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

A broker-dealer (including a Morgan Stanley affiliate or a Bangkok Bank 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.

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### **Item 13 – Review of Accounts**

The Investment Committee will review and approve all significant investment decisions. The members of the Investment Committee are identified in the Supplements to the Adviser’s Brochure in Form ADV Part 2B.

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

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

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#### **Item 14 – Client Referrals and Other Compensation**

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

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## **Item 15 – Custody**

The Adviser is deemed to have custody of the Thai Fund's cash and securities by virtue of its relationship with the General Partner. Generally, the Limited Partners will receive the Thai Fund's audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of the Thai Fund's fiscal year.

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## **Item 16 – Investment Discretion**

As the manager of the Fund, the Adviser will have discretion to recommend to the General Partner, without consent of the Fund investors, the particular securities to be bought and sold, the broker or dealer (including a Morgan Stanley or a Bangkok Bank affiliate) to be used (if any) and the commission rates to be paid by the Fund in cases where a broker or dealer is used. The Adviser will provide investment advice to the Fund, subject to certain investment limitations regarding diversification and type of permitted investments as set forth in the Partnership Agreement.

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

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

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## **Item 17 – Voting Client Securities**

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

In many situations, a client is a party to a stockholder or 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.

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## **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.