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## Institutional Liquidity Funds Update

Morgan Stanley Investment Management ('MSIM') is dedicated to providing our shareholders and prospective investors with relevant information regarding the positioning of our money market funds. Given recent developments in the short-term credit markets, we believe the following points are relevant when assessing the current positioning of the liquidity funds ("the Funds") held in Morgan Stanley Funds plc or Morgan Stanley Investment Funds.

Morgan Stanley Funds plc and Morgan Stanley Investment Funds are separate stand alone investment companies with independent boards of directors. Assets are held in separate segregated accounts for each Fund/Portfolio at a custodian bank. For these Funds the custodian banks are State Street and JP Morgan respectively. Like all Morgan Stanley Funds, investments in these Funds remain separate from the assets of Morgan Stanley and its subsidiaries, and cannot be commingled at any time with the assets of Morgan Stanley or its subsidiaries.

- 1) The Funds do not have any exposure to Washington Mutual, AIG, and Lehman Brothers.
- 2) The Funds do not have any exposure to single-seller mortgage conduits or structured liquidity notes.
- 3) The Funds do not have any direct, unsecured exposure to any sub-prime asset classes.
- 4) The Funds continue to invest in traditional asset backed conduits where our credit and risk teams have confidence in the quality of the assets, the structure of the conduits, and the financial strength of the sponsoring institutions.
- 5) The Funds continue to purchase deposit liabilities and senior obligations of strong financial institutions and corporations.

MSIM continues to monitor market developments closely and is committed to managing these Funds with a continued focus on safety and liquidity. We welcome the opportunity to discuss our investment strategy in greater detail and highly value your business.

The document has been prepared as information for investors and it is not a recommendation to buy or sell any particular security or adopt any investment strategy.

This document may include the views of the portfolio management team. It does not reflect the opinions of all portfolio managers at MSIM and the views may not be reflected in other strategies and products that MSIM or the wider Morgan Stanley firm may offer.

The author's views are subject to change without notice to the recipients of this document. This material has been prepared using sources of information generally believed to be reliable. No representation can be made as to its accuracy.

Any forecasts in this piece are not necessarily those of MSIM or Morgan Stanley, and may not actually come to pass. MSIM also serves as distributor for the Funds.

**Please consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information is contained in the Prospectus and a copy can be obtained from MSIM or downloaded from our dedicated website: [www.morganstanley.com/liquidity](http://www.morganstanley.com/liquidity).**