Cabot S.A. SICAV

an investment company with variable capital (SICAV) subject to part II of the law of 17 December 2010 relating to undertakings for collective investments

PROSPECTUS

November 2025

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IMPORTANT INFORMATION

This confidential offering document (the "**Prospectus**") is issued by Cabot S.A. SICAV (the "**Fund**") and is communicated, on a confidential basis, to a limited number of prospective Investors for the sole purpose of providing information about an investment in the relevant Sub-Fund. In the event that the descriptions or terms in this Prospectus are inconsistent with, or contrary to, the terms of the articles of association constituting the Fund (the "**Articles of Association**"), the Articles of Association will prevail. Unless otherwise defined in this Prospectus, capitalised terms have the same meaning as in the Articles of Association.

This Prospectus has been furnished on a confidential basis solely for the information of the person to whom it has been delivered. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale.

This Prospectus is being furnished to prospective Investors on a confidential basis to consider an investment in Shares in or issued by the Fund. This Prospectus contains information about the Fund that a prospective Investor should consider before investing in the Fund and should be retained for future reference. Except as described above, this Prospectus may not be used for any other purpose.

This Prospectus, and information which Shareholders will receive as a result of an investment in the Fund or a Sub-Fund, contain strictly private and confidential, non-public information and in each case are being provided to Shareholders solely for information, and not for further distribution. Through their subscription to a Sub-Fund, Shareholders are bound by the strict confidentiality provisions contained in the Prospectus and Subscription Agreement. The information contained in the Prospectus and additional information distributed to Investors must be treated in a confidential manner and may not be reproduced, used or disclosed, in whole or in part, without the prior written consent of the Board of Directors. Disclosure to persons other than the Investors and, on a confidential basis, their representatives is prohibited, unless required by applicable law and regulations or requested by a competent authority.

There will not be any public market for the Shares and no such market is expected to develop in the future. Furthermore, the Articles of Association or this Prospectus including the relevant Supplement may provide for conditions or restrictions regarding the transfer of Shares.

The Shares are reserved for Eligible Investors who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur. In making an investment decision, Investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks due to, amongst other things, the nature of the Fund's investments and the legality and tax consequences of an investment in the Fund. Prospective Investors should not construe the contents of this Prospectus as legal, investment, tax, or other advice. Each prospective Investor must rely upon his, her or its own representatives, including his, her or its own legal counsel, accountants and investment advisor as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such Investor.

The information contained in this Prospectus does not purport to be all inclusive or to contain all the information that a prospective Investor may desire to review in investigating the Fund. The descriptions contained in this Prospectus or any document or agreement, including the various agreements to be executed by the Investors, are summaries only. Such summaries are qualified in their entirety by reference to the actual agreements. In the event that the descriptions or terms in this Prospectus are inconsistent with or contrary to the terms of the Articles of Association (a copy of which

will be furnished to any prospective Investor before they invest), the Articles of Association shall prevail.

This Prospectus includes "forward-looking statements". In some cases, you can identify forward-looking statements by terminology such as "anticipates", "believes", "estimates", "seeks", "expects", "plans", "will", "intends" and similar expressions. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this Prospectus, such expectations may prove to be incorrect. An investment in the Shares involves substantial tax, investment and other risks. Important factors that could cause actual results to differ materially from such expectations include, without limitation, general economic and market conditions. See section 16 (*Certain risk considerations*) of this Prospectus for a discussion of certain factors which should be considered in connection with a purchase of Shares. The Board of Directors urges Investors to consider those factors carefully in evaluating the forward-looking statements contained in this Prospectus. All subsequent written or oral forward-looking statements attributable to the Board of Directors or any persons acting on the behalf of the Board of Directors are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included in this Prospectus are made only as of the date of this Prospectus. The Board of Directors and its management do not intend and undertake no obligation to update these forward-looking statements.

Investment in the Fund will involve significant risks due to, among other things, the nature of the Fund's investments, and there can be no assurance that the Fund's investment rate of return objectives will be realised or that there will be any return of capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) that are characteristic of the investment described herein and should consult their own advisers as to legal, tax and related matters concerning an investment in the Fund. The Shares are suitable only for Eligible Investors for whom an investment in the Fund does not constitute a complete investment programme and are willing to assume, and have the financial resources necessary to withstand, the risks involved in the investment programme in which the Fund will engage.

To the extent that Shares of one or more Share Classes in a Sub-Fund are offered or sold to Retail Investors in a Member State or the United Kingdom, a key information document ("**PRIIPs KID**") shall be provided to each such prospective Retail Investor before it invests in the Sub-Fund, as required in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (including in the United Kingdom as it forms part of domestic law by virtue of the European Union (Withdrawal) Act of 2018).

Certain Shares or Share Classes may be listed on the Luxembourg Stock Exchange as well as any other recognised stock exchange.

The Fund may include Sub-Funds that qualify and have been approved as a European long-term investment fund ("**ELTIF**") under Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds as amended from time to time (the "**ELTIF Regulation**"), as indicated in their Supplement, where applicable (the "**ELTIF Sub-Funds**"). ELTIF Sub-Funds are intended to be invested in long-term assets in accordance with the specific rules laid down in the ELTIF Regulation.

No statement made or information given in connection with, or relevant to, an investment in the Fund which is not included in this Prospectus may be relied upon as having been made or given with the authority of the Fund and no responsibility is accepted by any member of the Board of Directors, the

AIFM or the Investment Manager, or any of their respective Affiliates, directors, members, officers, employees or agents, in respect thereof. No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The Fund is formed under the laws of the Grand Duchy of Luxembourg. By applying for Shares, each prospective Investor agrees to be bound by the terms and conditions of the Subscription Agreement, the Articles of Association and this Prospectus. The relationship between the Fund and the Investor is governed by Luxembourg laws and the courts of Luxembourg will have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with an Investor's investment in the Fund or any related matter.

THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL. AN INVESTMENT IN THE SHARES SHOULD NOT BE CONSIDERED AS A LIQUID INVESTMENT. PROSPECTIVE INVESTORS SHOULD NOTE THE RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST DESCRIBED IN "CERTAIN RISK CONSIDERATIONS".

ANY LOSSES IN THE FUND WILL BE BORNE SOLELY BY INVESTORS IN THE FUND AND NOT BY MORGAN STANLEY AND ITS AFFILIATES. THEREFORE, MORGAN STANLEY'S LOSSES IN THE FUND WILL BE LIMITED TO LOSSES ATTRIBUTABLE TO THE OWNERSHIP INTERESTS IN THE FUND HELD BY MORGAN STANLEY AND ITS AFFILIATES IN THEIR CAPACITY AS INVESTORS IN THE FUND. INTERESTS IN THE FUND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION NOR BY THE FONDS DE GARANTIE DES DÉPÔTS LUXEMBOURG AND ARE NOT DEPOSITS, OBLIGATIONS OF, OR ENDORSED OR GUARANTEED IN ANY WAY, BY MORGAN STANLEY OR ANY OTHER BANKING INSTITUTION. INVESTORS SHOULD READ THIS PROSPECTUS IN FULL BEFORE MAKING AN INVESTMENT DECISION.

Any enquiries regarding this Prospectus or the Fund should be directed to:

Cabot S.A. SICAV
c/o MaplesFS (Luxembourg) S.A.
12E, rue Guillaume Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

1. INTRODUCTION

The Fund is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is an alternative investment fund in accordance with the AIFMD and a regulated undertaking for collective investment subject to part II of the 2010 Law.

The Fund has been established on 11 June 2024 as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are Shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of Shareholders. Prospective Shareholders should refer to the relevant Supplement for further information on characteristics of Share Classes.

The Fund has been authorised by the CSSF which is the Luxembourg supervisory authority of the financial sector. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or any Supplement or the portfolio of assets held by the Fund or any Sub-Fund.

The Fund is registered with the Luxembourg Trade and Companies' Register under number B287877. The latest version of the Articles of Association of the Fund was published in the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 18 July 2024. By signing the Subscription Agreement or acquiring Shares, the prospective Investor accepts all provisions of the Articles of Association and all other documents on which basis the Subscription Agreement was signed. If the provisions of this Prospectus are inconsistent with those of the Articles of Association, the provisions of the Articles of Association shall prevail.

The Fund is being managed by the Board of Directors in accordance with the 1915 Law and the provisions of the Articles of Association. The Fund has appointed MSIM Fund Management (Ireland) Limited as the external alternative investment fund manager of the Fund.

The Shares are reserved to Eligible Investors, as further described in section 6.2 (*Eligible Investors*) of this Prospectus. For further details please refer to the definitions "Eligible Investors" set out in section 3 (*Definitions*) as well as to section 6.2 (*Eligible Investors*) of this Prospectus.

2. DIRECTORY

Registered office of the Fund

c/o MaplesFS (Luxembourg) S.A.
12E, rue Guillaume Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Noel Fessey
Sophie Mosnier
Zöe Parish

AIFM and Global Distributor

MSIM Fund Management (Ireland) Limited
24-26 City Quay Dublin D02 NY19
Ireland

Depositary

The Bank of New York Mellon SA/NV Luxembourg Branch
Vertigo Building - Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Grand-Duchy of Luxembourg

Administrator, Transfer and Registrar Agent

The Bank of New York Mellon SA/NV Luxembourg Branch
Vertigo Building - Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Grand-Duchy of Luxembourg

Auditor

Deloitte Audit S.à r.l.
20, Boulevard de Kockelscheuer
L - 1821 Luxembourg
Grand Duchy of Luxembourg

Legal adviser as to matters of Luxembourg law

Arendt & Medernach SA
41A, avenue J. F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
25% Test	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.
Administration Agreement	the agreement entered into between the Fund, the AIFM and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer, domiciliation and corporate agent appointed by the Fund and the AIFM in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in the Directory, or any successor thereto.
Administration Fees	the fees due to the Administrator in respect of each Sub-Fund, as specified in this Prospectus or the relevant Supplement.
Advisers Act	the U.S. Investment Advisers Act of 1940, as amended.
AIF	an alternative investment fund within the meaning of the AIFMD.
AIFM	the alternative investment fund manager of the Fund within the meaning of the AIFMD, as identified in the Directory, or any successor alternative investment fund manager appointed by the Fund.
AIFM Agreement	the agreement entered into between the Fund and the AIFM governing the appointment of the AIFM, as may be amended or supplemented from time to time.
AIFM Laws and Regulations	the AIFMD, the AIFMR, any further delegated regulations issued by the European Commission in connection with the AIFMD and any further Irish (and, to the extent applicable, Luxembourg) transposing legislation in connection with the AIFMD and related delegated acts, as well as any applicable direction, policy, circular, guideline, rule or order (whether formal or informal) that is made or given by the CBI (and, to the extent applicable, the CSSF) or ESMA in connection herewith, as may be amended from time to time.

AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as may be amended from time to time.
AIFMR	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as may be amended from time to time.
AIFM Fees	the fees due to the AIFM in respect of each Sub-Fund, as specified in this Prospectus or the relevant Supplement.
AML Rules	has the meaning set forth in section 6.11 (*Prevention of money laundering and sanctions regimes*).
Annual Report	the report issued by the Fund as of the end of each financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Affiliate	(a) if the Person concerned is a body corporate: (i) a parent undertaking or subsidiary of that Person, or a subsidiary of a parent undertaking of that Person; or (ii) any other body corporate in which that Person holds directly or indirectly 50% or more of the voting rights; or (iii) any director or, in the case of a body corporate that is a limited liability partnership, any member of that Person; (b) if the Person concerned is a limited partnership: (i) a general partner of that Person; or (ii) if a general partner of that Person is a body corporate, any Person who is an Affiliate of that general partner within the meaning of paragraph (a) above; (c) if the Person concerned is an individual or a firm (including a limited partnership) or other unincorporated body: (i) any body corporate in which that Person holds directly or indirectly 50% or more of the voting rights; or (ii) if the Person is an individual, the spouse, civil partner or any business partner of that Person; provided that, with respect to any Investor, the Board of Directors may in its discretion designate in writing any Person to be an Affiliate of that Investor for some or all of the purposes of this Prospectus.
Brussels I (Recast)	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).

Brussels Convention	the 1968 Brussels Convention on jurisdiction and the enforcement of judgments in civil and commercial matters.
Board of Directors	the board of directors of the Fund, as constituted from time to time.
Business Day	unless otherwise defined in a Supplement in respect of a Sub-Fund only, any day (other than a Saturday, Sunday or public holiday in Luxembourg, Dublin or London) on which banks in Luxembourg, Dublin and London are open for ordinary business and in such other countries or cities as may be specified for a Sub-Fund in a Supplement.
Capital Call	any request for cash payments from an Investor.
Capital Call Notice	the notice in which is specified the amount of Capital Call.
Class S Shares	Share Class available to certain Shareholders who are Morgan Stanley entities.
CBI	the Central Bank of Ireland which is responsible for both central banking and financial regulation in Ireland, or its successor authority.
Claims and Expenses	has the meaning set forth in section 5.10 (*Indemnification*) of this Prospectus.
Closed-Ended Sub-Fund	a Sub-Fund which, in principle, does not allow the Investors to request the redemption of their Shares before the term of the Sub-Fund, subject to the terms and conditions of the Supplement.
Commitment	in relation to each Investor, the aggregate amount committed by it to the relevant Sub-Fund and accepted by the Board of Directors (or its delegate) whether or not such amount has been contributed in whole or in part, as such amount may be amended from time to time.
Contribution(s)	with respect to any Investor, an amount contributed to a Sub-Fund pertaining to a subscription by it in such Sub-Fund which has been accepted by the Board of Directors (or its delegate).
Code	the U.S. Internal Revenue Code of 1986, as may be amended from time to time.
Covered Plan	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.

CRS Law	the Luxembourg law of 18 December 2015 on the Common Reporting Standard implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016, as amended from time to time.
CSSF	the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector, or its successor authority.
Dealing Date	unless otherwise determined in a Supplement, a Valuation Date on which subscription, conversions and/or redemptions may be accepted in respect of a Sub-Fund, as determined in the relevant Supplement.
Default	has the meaning set forth in section 6.3 (*Subscription for Shares*) of this Prospectus.
Default Amount	has the meaning set forth in section 6.3 (*Subscription for Shares*) of this Prospectus.
Defaulting Investor	has the meaning set forth in section 6.3 (*Subscription for Shares*) of this Prospectus.
Depositary	the depositary appointed by the Fund in accordance with the provisions of the 2010 Law and the AIFM Laws and Regulations and the Depositary Agreement, as identified in the Directory, or any successor thereto.
Depositary Agreement	the agreement entered into between the Fund, the AIFM, and the Depositary governing the appointment of the Depositary, as may be amended or supplemented from time to time.
Depositary Fees	the fees due to the Depositary in respect of each Sub-Fund, as specified in this Prospectus or the relevant Supplement.
Disabling Conduct	gross negligence (as defined and interpreted in accordance with the laws of the State of Delaware in the United States), fraud, wilful misconduct, wilful and material breach of the relevant agreement or wilful and material violation of any applicable securities laws, in each case (other than in the case of fraud) having a material adverse effect on the Fund.
Distribution Fees	the fees due to the Global Distributor or a Sub-Distributor in respect of each Sub-Fund, as specified in this Prospectus or the relevant Supplement.
Director	a member of the Board of Directors.

DOL	the U.S. Department of Labor.
DOL Regulations	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.
Eligible Investor	an Investor who satisfies all eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement or in the general part of the Prospectus.
Eligible Investment Asset	has the meaning set forth in section 4.5 (*Certain ELTIF considerations*) of this Prospectus in respect of ELTIF Sub-Funds.
ELTIF	a European Long-Term Investment Fund within the meaning of the ELTIF Regulation.
ELTIF Regulation	Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds as amended by Regulation (EU) 2023/606 of the European Parliament and of the Council of 15 March 2023 as regards the requirements pertaining to the investment policies and operating conditions of European long-term investment funds and the scope of eligible investment assets, the portfolio composition and diversification requirements and the borrowing of cash and other fund rules, and as may be further amended or supplemented from time to time.
EMIR	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended or supplemented from time to time.
ESG	stands for environmental, social, and governance
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR or €	the lawful currency of the Member States that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
EuSEFs	European social entrepreneurship funds, as per EuSEF Regulation (EU) 346/2013.
EU Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
EuVECAs	European venture capital funds, as per EuVECA Regulation (EU) 345/2013.

Exchange Act	the U.S. Securities Exchange Act of 1934, as amended.
Exclusion Notice	has the meaning set forth in section 6.5 (*Compulsory redemption of Shares*) of this Prospectus.
FATCA	the Foreign Account Tax Compliance provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010, set out in sections 1471 to 1474 of the Code, and any U.S. Treasury regulations issued thereunder, Internal Revenue Service rulings or other official guidance pertaining thereto, commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
FATCA Law	the Luxembourg law of 24 July 2015 implementing the Model I Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to FATCA, as amended from time to time.
Fund	Cabot S.A. SICAV.
General Meeting	as the context indicates, any general meeting of the Shareholders of the Fund or of a Sub-Fund.
German Regulated Investor	has the meaning set forth in section 6.7 (*Transfer of Shares*) of this Prospectus.
Global Distributor	the AIFM, in its capacity as global distributor of the Fund.
Hedged Share Classes	has the meaning set forth in section 6.1.4 (*Hedged Share Classes*) of this Prospectus.
Holding Period	has the meaning set forth in section 4.5 (*Certain ELTIF considerations)* of this Prospectus in respect of ELTIF Sub-Funds.
Indemnified Person	has the meaning set forth in section 5.10 (*Indemnification*) of this Prospectus.
Intermediary	an intermediary, such as a distributor, clearing system or correspondent bank which will act as a financial intermediary, and acquire Shares in the relevant Sub-Fund in its own name but on behalf of an Investor.
Intermediate Entity	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.
Institutional Investor	an Investor that is an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.
Investment Company Act	the U.S. Investment Company Act of 1940, as amended.

Investment Management Agreement	the relevant agreement entered into between the Fund, the AIFM and the Investment Manager governing the appointment of the Investment Manager with respect to any Sub-Fund, as may be amended or supplemented from time to time.
Investment Manager	the legal entity in charge of the portfolio management function as may be appointed by the AIFM from time to time with respect to one or more Sub-Funds in accordance with the provisions of the 2010 Law and the AIFM Laws and Regulations and the relevant Investment Management Agreement, as identified in each relevant Supplement.
Investor	a Person admitted to the Fund in accordance with the Prospectus and includes, where applicable, any Shareholder.
Investor Ordinary Consent	the consent or approval of the Investors of the Fund or a Sub-Fund (as the context requires) passed: a) at a duly convened meeting of Investors of the Fund or a Sub-Fund by Investors representing a majority of fifty percent (50%) of the votes validly cast at such meeting, by Shares or Commitments; or b) by written consent consisting of one or more documents each signed by one or more of the Investors representing more than fifty percent (50%) of the Shares or Commitments of Investors in the Fund or the Sub-Fund responding to the request for such consent or approval, at the time of the request.
Investor Special Consent	the consent or approval of the Investors of the Fund or a Sub-Fund (as the context requires) passed: a) at a duly convened General Meeting of the Fund or a Sub-Fund by Investors representing at least seventy-five (75%) of the votes validly cast at such meeting, by Shares or Commitments; or b) by written consent consisting of one or more documents each signed by one or more of the Investors representing at least seventy-five percent (75%) of the Shares or Commitments of Investors in the Fund or the Sub-Fund responding to the request for such consent or approval, at the time of the request.
IRA	investment retirement account.
Liquid Investment	has the meaning ascribed to this term in section 4.5 (*Certain ELTIF considerations*) of this Prospectus in respect of ELTIF Sub-Funds.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Luxembourg GAAP	Luxembourg generally accepted accounting principles.

Management Fees	the investment management fees due to the Investment Manager (or the AIFM, as applicable) in respect of each Sub-Fund, as specified in the relevant Supplement.
Member State	a member state of the EU.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of the European Union of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
Morgan Stanley	Morgan Stanley, a Delaware corporation, and any successor thereto, together with their respective Affiliates.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Date for which the Net Asset Value per Share is calculated.
OECD	the Organization for Economic Co-operation and Development.
OFAC	the Office of Foreign Assets Control of the U.S. Department of the Treasury.
Open-Ended Sub-Fund	a Sub-Fund which, in principle, allows the Investors to request the redemption of their Shares from time to time, subject to the terms and conditions of the Supplement.
Operating Expenses	has the meaning set forth in section 9.8 (*Operating Expenses*) of this Prospectus.
Person	any individual, partnership, corporation, limited liability company, trust or other entity.
Plans	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.
Professional Investor	an Investor who is a professional client in the meaning of Annex II of MiFID II or which can be treated on request as a professional client in accordance with Annex II of MiFID II.

Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 6.9 (*Prohibited Persons*) of this Prospectus.
Prospectus	this prospectus issued in respect of the Fund, together with the relevant Sub-Fund Supplement(s), as amended from time to time.
Qualifying Portfolio Undertaking	has the meaning ascribed to this term in section 4.5 (*Certain ELTIF considerations*) of this Prospectus in respect of ELTIF Sub-Funds.
RBE Law	the Luxembourg law of 13 January 2019 on the register of beneficial owners, as may be amended from time to time.
Redemption Fee	a fee, if any, payable to the AIFM upon redemption of Shares as specified in the relevant Supplement.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the Shareholder or the person acting on behalf of the Shareholder complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his/her Shares.
Reference Currency	as the context indicates, (i) in relation to the Fund, the EUR or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Share Class, the currency in which the Shares of that Share Class are denominated, as specified in each Supplement.
Retail Investor	an Investor who is not a Professional Investor.
Sanctioned Investor	any Investor subject to sanctions under any Sanctions Laws and Regulations, for and only for the period of time that such Investor is subject to such sanctions.
Sanctions Authority	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.
Sanctions Laws and Regulations	collectively, applicable anti-bribery and corruption, anti-money laundering, counter-terrorist financing, anti-boycott laws, rules or regulations, or economic sanctions administered or enforced by the United Nations Security Council, the EU, His Majesty's Treasury, the U.S. Government, including OFAC and the U.S. Department of State, or any other relevant Sanctions Authority.
SEC	the U.S. Securities and Exchange Commission.
Securities Act	the U.S. Securities Act of 1933, as amended.

Semi-Annual Report	the report issued by the Fund as of the end of the first six month of each financial year in accordance with the 2010 Law.
Series	has the meaning ascribed to this term in section 6.1.3 (*Share Classes*) of this Prospectus.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 6.1 (*Shares, Sub-Funds and Share Classes*) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Share Register	the register of Shares, held by the Fund or any service provider duly appointed for such purposes.
Shareholder	an Investor who has been issued Shares pursuant to the Prospectus.
Shares	shares of a Sub-Fund or Share Class issued by the Fund to an Investor.
Similar Laws	has the meaning ascribed to this term in section 15 (*Certain Regulatory Law Matters*) of this Prospectus.
Sub-Fund	a sub-fund of the Fund, as described in section 6.1 (*Shares, Sub-Funds and Share Classes*) of this Prospectus.
Sub-Investment Manager	a delegate of the Investment Manager for a Sub-Fund, as identified in the relevant Supplement.
Subscription Agreement	the subscription agreement (including any supplement thereto) completed and executed by each Person wishing to subscribe for Shares in or make a Commitment to the Fund and by any Investor wishing to purchase additional Shares or increase its Commitment, in each case in the form approved by the Fund in its discretion from time to time.
Subscription Fee	a fee, if any, payable to the AIFM upon subscription for Shares as specified in the relevant Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.

Target Sub-Fund	a Sub-Fund into which another Sub-Fund will or might invest in accordance with the provisions of this Prospectus.
Total Commitment	the aggregate amount of Commitments of Investors to a Sub-Fund.
UCITS	undertaking for collective investment in transferable securities.
UCI	undertaking for collective investment.
Undrawn Commitment	in respect of each Investor, the amount of its Commitment that at any given time is available to be drawn down in accordance with this Prospectus including, for the avoidance of doubt, those amounts repaid and available for further drawdown.
USD	United States Dollar.
U.S. Person	any natural or legal person defined as a "U.S. Person" (as outlined in Rule 902 under Regulation S of the Securities Act), including any person which is residing in the United States.
Valuation Date	a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.
Valuation Support Agent	the third party appointed by the AIFM (and/or another Morgan Stanley entity) to provide inputs and supporting analysis and documentation and other valuation support services in respect of the assets of any Sub-Fund from time to time.
VAT	value added tax.
Voting Shares	the Shares of a particular Share Class that carry the right to vote at General Meetings.

4. INVESTMENTS

4.1 Investment objectives and strategies

The exclusive purpose of the Fund is to place the funds available to it in securities and other assets permitted to an undertaking for collective investment under the provisions of part II of the 2010 Law, with the purpose of spreading investment risks and affording its Investors the results of the management of its portfolio.

The Fund intends to provide access to alternative investments, including through investments in other investment funds, equity, quasi-equity, debt and/or other instruments. The asset classes may include, without limitation, private equity, private credit, real estate, infrastructure as well as other forms of alternative investments, and may include direct investments, secondary investments and co-investments.

The Sub-Funds are managed separately with distinct investment strategies and policies designed in consideration of specific investment objectives, as set out in the relevant Supplement. The Board of Directors will determine the investment objective and investment policy of each of the Sub-Funds as described in the Supplements, in accordance with the provisions of part II of the 2010 Law. In case of discrepancies, the rules and limits of the Supplement shall prevail in respect of the relevant Sub-Fund.

4.2 Investment policies

Each Sub-Fund will be managed in accordance with the principle of risk-spreading under the 2010 Law. The specific investment limits applicable to each Sub-Fund are set out in the relevant Supplement in compliance with the provisions of part II of the 2010 Law, the relevant CSSF circulars (in particular Circular IML 91/75, where applicable) and all applicable laws and regulations. Unless otherwise provided in a Supplement, a Sub-Fund may not invest more than 20% of its assets at the time of acquisition in any single investment, subject to any ramp-up period and such other conditions as determined in the relevant Supplement. The Board of Directors may impose further investment restrictions or guidelines in respect of any Sub-Fund from time to time.

Subject to the individual restrictions of the respective Supplement, each Sub-Fund may for cash management purposes hold cash, commercial paper (including short term paper issued by credit institutions), short term government bonds, short term fixed income securities, exchange traded funds investing in any of the same and other money market instruments, certificates of deposit, and money market funds, including the ability to post such assets as collateral.

Where disclosed in the relevant Supplement and within the limits set out therein and subject to the limits of the ELTIF Regulation if applicable, a Sub-Fund may invest in financial derivative instruments either for hedging purposes, in particular for the purpose of hedging risks connected to the evolution of stock markets or for the purpose of hedging interest rates or currency, or for a purpose other than hedging (such as generating additional capital or income or for reducing costs or risk), as further described for each Sub-Fund in the relevant Supplement.

Where disclosed in the relevant Supplement and within the limits set out therein and subject to the limits of the ELTIF Regulation if applicable, a Sub-Fund may use securities financing transactions and total return swaps as defined in Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.

Unless stated otherwise in the relevant Supplement, the Fund does not intend to use any benchmark for purposes of the requirements of Regulation (EU) no 2016/1011 of the European Parliament and Council of 6 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds. Notwithstanding the preceding, the Fund may use indices in its marketing materials or other documents in order to give Investors an overview over the Fund's performance compared to such indices.

Unless otherwise provided for in a Supplement, any investment may be made by a Sub-Fund directly or indirectly through one or more investment vehicles. Each Sub-Fund may hold equity or quasi-equity securities, grant loans to and/or acquire debt securities issued by, such investment vehicles in order to finance an investment. For the avoidance of doubt, unless otherwise specified in respect of a Sub-Fund in its Supplement, any investment restriction applicable to a Sub-Fund will apply on a look-through basis and the underlying investments held by any investment vehicle will be treated as if they were direct investments made by the relevant Sub-Fund.

The Fund, the AIFM and the Investment Manager, as applicable, will ensure that precautionary AML/CFT measures regarding the assets of the Fund are implemented, using a risk-based approach in accordance with applicable laws and regulations.

Where disclosed in the relevant Supplement, in exceptional cases where circumstances so require and where justified having regard to the interests of the investors and subject to the prior approval of the CSSF, the Board of Directors in coordination with the AIFM may determine, in its absolute discretion, that certain assets or securities of a Sub-Fund should be isolated from the remainder of the portfolio in a side pocket in accordance with applicable laws and the rules laid down in the relevant Supplement.

4.3 Borrowing policies

Under the Articles of Association, the Fund and/or its AIFM acting on behalf of the Fund are empowered to exercise all of the borrowing powers of the Fund. Each Sub-Fund may borrow within the limits further described in the Supplement applicable to it and subject to the limits of the ELTIF Regulation, where applicable. Unless otherwise stated in the Supplement, (a) borrowings may be utilised for investment purposes as well as bridge financing and to fund expense disbursements when liquid funds are not readily available, and (b) the assets of a Sub-Fund may be transferred, mortgaged, pledged, charged or encumbered as security for any such borrowings or for the purpose of providing margin or collateral in respect of the Sub-Fund or any investment holding or financing vehicle set up in respect of the Sub-Fund.

4.4 Leverage

The AIFM is responsible for regularly monitoring the leverage exposure of each Sub-Fund in accordance with the AIFM Laws and Regulations. For this purpose, “leverage” is defined as being any method by which the AIFM increases the exposure of the Sub-Fund whether through the borrowing of cash or securities, leverage embedded in derivative positions or by any other means. Subject to the requirements of the AIFM Laws and Regulations, leverage calculations may exclude borrowing arrangements entered into if these are temporary in nature and are fully covered by contractual Commitments from Investors in the Sub-Fund.

The possibility for the AIFM (or its delegate) to use leverage for each Sub-fund within the meaning of the AIFM Laws and Regulations and the conditions pursuant to which leverage may be used, where

applicable, will be set forth in the Supplement applicable to each Sub-Fund. The actual level of leverage used for each Sub-Fund will be disclosed in the Annual Report of the Fund.

The AIFM will calculate the exposure of the relevant Sub-Fund in accordance with the gross and commitment methods of calculating exposure and the AIFM will regularly disclose that exposure to the Investors in the audited Annual Report. The leverage of the relevant Sub-Fund is monitored by the AIFM on an ongoing basis and will not exceed the thresholds described in the relevant Supplement.

4.5 Certain ELTIF considerations

The Fund may include ELTIF Sub-Funds, as indicated in their Supplement, where applicable, which are intended to be invested in long-term assets. Long-term assets are typically assets that are of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature.

Each ELTIF Sub-Fund is subject to and will conduct its investment operations in compliance with the ELTIF Regulation. In particular, without limitation, the following general portfolio composition rules and investment restrictions will apply, unless more restrictive rules and restrictions are is set out in the relevant Supplement:

(i) during the Holding Period, at least 55% of the capital of the ELTIF Sub-Fund, must be invested in investments that qualify as Eligible Investment Assets in accordance with the ELTIF Regulation, as further described below;

(ii) during the Holding Period, an ELTIF Sub-Fund shall not invest more than 20% of its capital in instruments issued by, or loans granted to, a single Qualifying Portfolio Undertaking within the meaning of the ELTIF Regulation, as further described below;

(iii) the ELTIF Sub-Fund may invest in Qualifying Portfolio Undertakings established in countries outside the EU which, at the time of acquisition of an investment, (i) are not identified as a high-risk third country listed in the delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council and (ii) are not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;

(iv) where a Qualifying Portfolio Undertaking, after having been invested in, no longer satisfies the condition to be either unlisted, or if listed, having a market capitalisation below EUR 1,500,000,000 then such investment shall continue to be accounted for as Eligible Investment Asset for a maximum duration of three years from the time when the condition is no longer fulfilled;

(v) during the Holding Period, up to 45% of the capital of any ELTIF Sub-Fund, may be invested in liquid investments in accordance with the ELTIF Regulation, which include, without being limited to, transferable securities, bank deposits, target funds and money market instruments fulfilling the relevant criteria (the "**Liquid Investments**");

(vi) during the Holding Period, no single Liquid Investment shall exceed 10% of the capital of an ELTIF Sub-Fund, where such Liquid Investment has been issued by a single body, subject to the exceptions set out under the ELTIF Regulation;

(vii) an ELTIF Sub-Fund will not enter into short selling activities and will not take direct or indirect exposure to commodities trading;

(viii) in accordance with the ELTIF Regulation, a financial derivative instrument shall only be used for hedging risks arising from exposures to assets referred to in Article 9(1) of the ELTIF Regulation;

(ix) any securities lending, repurchase or reverse repurchase transactions shall not affect more than 10% of any ELTIF Sub-Fund's assets; and

(x) the aggregate risk exposure to a counterparty stemming from OTC derivative transactions, repurchase or reverse repurchase agreements may not exceed 10% of the value of the capital of any ELTIF Sub-Fund.

Unless otherwise provided in a Supplement, the following definitions will apply to any ELTIF Sub-Fund for the purpose of the ELTIF portfolio composition rules and investment restrictions:

(i) "**Eligible Investment Asset**" means any asset which falls into one of the following categories, subject to the conditions set out in the ELTIF Regulation:

(a) equity or quasi-equity instruments issued by a Qualifying Portfolio Undertaking;

(b) debt instruments issued by a Qualifying Portfolio Undertaking;

(c) loans granted by the ELTIF Sub-Fund to a Qualifying Portfolio Undertaking;

(d) units or shares of other ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs managed by EU alternative investment fund managers, provided that those ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs invest in Eligible Investment Assets and have not themselves invested more than 10% of their assets in other collective investment undertakings;

(e) real assets;

(f) certain simple, transparent and standardised securitisations provided that the proceeds from the securitisation bonds are used for financing or refinancing long-term investments; and

(g) certain green bonds issued by a Qualifying Portfolio Undertaking;

(ii) "**Holding Period**" means the period of time starting on the date determined to be the end of the ramp-up period of the ELTIF Sub-Fund and ending on the date determined to be the end of life of the ELTIF Sub-Fund, in each case, in accordance with the provisions of the relevant Supplement and the ELTIF Regulation, without prejudice to periods and circumstances where compliance with portfolio composition rules and investment restrictions may be suspended in accordance with the ELTIF Regulation;

(iii) "**Qualifying Portfolio Undertaking**" means, within the meaning of the ELTIF Regulation, an undertaking that fulfils, at the time of the initial investment, the following requirements:

(a) it is not a financial undertaking, unless (A) it is a financial undertaking that is not a financial holding company or a mixed-activity holding company; and (B) that financial undertaking has been authorised or registered more recently than 5 years before the date of the initial investment;

(b) it is an undertaking which (A) is not admitted to trading on a regulated market or on a multilateral trading facility; or (B) is admitted to trading on a regulated market or on a multilateral trading facility but has a market capitalisation of no more than EUR 1,500,000,000;

(c) it is established in a Member State, or in a third country provided that the third country (A) is not identified as high-risk third country listed in the delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council; and (B) is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.

If any of the investment restrictions listed above is breached for reasons beyond the control of the AIFM, the AIFM shall within an appropriate period of time and taking due account of the interest of the Shareholders, take the necessary measures to rectify the situation.

Each ELTIF Sub-Fund that makes use of borrowings will comply with Article 16 of the ELTIF Regulation. Subject to the terms of the relevant Supplement, an ELTIF Sub-Fund may only borrow cash provided that any such direct borrowing on a recourse basis by the ELTIF Sub-Fund that is outstanding at any time:

(i) does not represent more than 50% of the Net Asset Value of the ELTIF Sub-Fund if it is marketed to Retail Investors, and no more than 100% of the Net Asset Value of the ELTIF Sub-Fund if it is marketed to Professional Investors only;

(ii) serves the general purpose of making investments or providing liquidity, including to pay costs and expenses, provided that the holdings in cash or cash equivalent of the ELTIF Sub-Fund are not sufficient to make the investment concerned;

(iii) is contracted in the same currency as the assets to be acquired with the borrowed cash, or in another currency where currency exposure has been appropriately hedged;

(iv) has a maturity no longer than the end of life of the ELTIF Sub-Fund,

provided that no remedial action will be required if the foregoing restrictions are exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an investment).

Borrowing arrangements that are fully covered by Commitments shall not be considered to constitute borrowing for the purposes of the above.

An ELTIF Sub-Fund which is marketed solely to Professional Investors may disapply certain of the restrictions set out above, subject to compliance with the ELTIF Regulation, as may be indicated in the Supplement where applicable.

Any rules laid down in this section or in the relevant Supplement and related to the ELTIF Regulation (including investment rules, diversification requirements and borrowing limits) may be amended by the Board of Directors without any consent from the Investors in accordance with, and in order to, reflect any amendment, update, clarification or supplement to the ELTIF Regulation.

4.6 Cross-investments between Sub-Funds

If and to the extent permitted for the Sub-Fund in the relevant Supplement, a Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire, and/or hold securities to be issued or issued by another Sub-Fund of the Fund (the "**Target Sub-Fund**") provided that (a) the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; (b) voting rights, if any, at a General Meeting of the Fund, attached to the relevant Shares of the Target Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice

to the appropriate processing in the accounts and the periodic reports; and (c) the value of relevant Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

Without prejudice to the limitation set out in paragraph (b) above, Investing Sub-Funds will be entitled to vote on any decision subject to investors consent at the level of a Target Sub-Fund and the voting rights and commitments of Investing Sub-Funds will be taken into account for the purpose of applicable majority requirements in the Target Sub-Fund. In respect of any matter subject to Investors consent at the level of a Target Sub-Fund, the Fund will seek voting instructions from investors in the relevant Investing Sub-Funds as to how to vote on such decision. The Fund will exercise voting rights in the Target Sub-Fund in accordance with the instructions received from investors in the Investing Sub-Funds by splitting its vote in favour of and against such matter in the proportions directed by investors in the Investing Sub-Funds.

4.7 Sustainability-related disclosures

This disclosure has been prepared in accordance with the requirements of SFDR, which seeks to establish a pan-European framework to facilitate sustainable investment, by providing for a harmonised approach in respect of sustainability-related disclosures to investors within the EU financial services sector and to provide greater transparency, in the disclosures made to investors, on how sustainability risks are integrated within the management of the fund, and any environmental or social characteristics, or sustainable investment objectives promoted by an investment fund.

Unless otherwise disclosed in the relevant Supplement, the Investment Manager considers sustainability risks as part of its investment research, due diligence, portfolio construction and ongoing monitoring as part of its active portfolio management strategy for the relevant Sub-Funds, as further described in the relevant Supplement. SFDR defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The likely impacts of sustainability risks on the returns of each Sub-Fund will depend on each Sub-Fund's exposure to such investment and the materiality of the sustainability risk. The risk of a sustainability risk arising in respect of each Sub-Fund should be mitigated by the Investment Manager's approach to integrating sustainability risk in its investment decision-making and the applicable Sub-Fund's investment policy, as further described in the relevant Supplement. However, there is no guarantee that these measures will mitigate or prevent a sustainability risk materialising in respect of a Sub-Fund.

At the time of publication of the Prospectus, the AIFM does not consider any adverse impacts of its investment decisions on sustainability factors for the Fund, due mostly to the lack of information and clear methodology on how to obtain principal adverse impact data from issuers and more broadly lack of publicly available data.

For the purposes of SFDR, each Sub-Fund qualifies as a financial product. Further information for each Sub-Fund is available in the relevant Supplement and Annex B of the Supplement, where applicable.

5. MANAGEMENT AND ADMINISTRATION

5.1 Board of Directors

The members of the Board of Directors will be appointed at a General Meeting of the Fund. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the General Meeting.

The holders of Class S Shares, acting collectively, are entitled to submit to the General Meeting of the Fund a list of potential candidates for election to the Board of Directors. Directors will have to be elected by the General Meeting of the Fund from candidates on such list, if submitted. The list of potential candidates, if submitted, shall be presented to the Shareholders at least two (2) weeks prior to any General Meeting of the Shareholders considering resolutions for the appointment of the Board of Directors. In the event of a vacancy in the office of a Director proposed by the holders of the Class S Shares, the replacement Director shall also be proposed by the holders of the Class S Shares for co-optation by the Board of Directors.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the AIFM and the general monitoring of the performance and operations of the Fund.

For the current composition of the Board of Directors, please refer to the Directory.

5.2 AIFM

Subject to its overall supervision and ultimate responsibility, the Board of Directors has appointed MSIM Fund Management (Ireland) Limited, as the alternative investment fund manager of the Fund in accordance with the provisions of the AIFM Laws and Regulations and, to the extent applicable, as ELTIF manager within the meaning of the ELTIF Regulation. The AIFM is an Irish private company limited by shares incorporated under the laws of Ireland. It is duly authorised and regulated by the CBI and possesses the necessary regulatory permissions to act as an AIFM in accordance with the requirements of the AIFM Laws and Regulations.

The Fund has appointed the AIFM in accordance with the terms and conditions of an agreement entered into between the AIFM and the Fund (the "**AIFM Agreement**"). Pursuant to the terms of the AIFM Agreement, the AIFM has been entrusted with the portfolio management and risk management functions, and other functions set out in the AIFM Agreement. The AIFM Agreement shall terminate automatically upon removal of all or a majority of the members of the Board of Directors by a decision of the Shareholders taken in accordance with the rules laid down in the Articles of Association and this Prospectus. The AIFM will perform the risk management function and, unless otherwise stated in the Supplement, oversight of the portfolio management function for the Fund and each Sub-Fund. The AIFM will also be responsible for marketing Shares in the relevant Sub-Fund in its capacity as Global Distributor as further detailed below under the heading "Global Distributor and Sub-Distributors".

The AIFM will also be responsible for the valuation function for the Fund in accordance with the Articles of Association, the Prospectus and the AIFM Laws and Regulations. The AIFM will supervise

the Administrator to ensure that the Net Asset Value of each Sub-Fund is calculated and disclosed to the Investors at such frequency as determined for each Sub-Fund, and at least annually, in accordance with the AIFM Laws and Regulations and the AIFM's valuation policy in respect of the relevant Sub-Fund.

The AIFM and its delegate, the Investment Manager, employ an appropriate liquidity management system for the Fund and each Sub-Fund and have adopted procedures which enable it to monitor the liquidity risk of the Fund and each Sub-Fund and to ensure that the liquidity profile of the investments of the Fund and each Sub-Fund complies with its underlying obligations and that the Fund will be in a position to satisfy redemption applications of Shareholders in accordance with the provisions of this Prospectus and the Articles of Association. The AIFM and its delegate, the Investment Manager, will measure and monitor the liquidity profile of the portfolio of assets having regard to the profile of the investor base of the Fund, the relative size of investments and the redemption terms to which these investments are subject and actual and potential redemption applications of Shareholders both in normal and in exceptional circumstances. The AIFM proceeds, on a regular basis, with stress tests simulating normal and exceptional circumstances in order to evaluate and measure the liquidity risk of the Fund.

The AIFM may carry on any activities connected directly or indirectly with, and/or deemed useful and/or necessary for, the accomplishment of its functions, remaining, however, within the limitations set forth in the AIFM Agreement, the Articles of Association and this Prospectus. All the above duties are more fully described in the AIFM Agreement.

The AIFM is permitted by the Fund to appoint delegates in relation to its functions in accordance with the AIFM Laws and Regulations and the AIFM Agreement. The agreements entered into between the AIFM and the relevant third parties will provide that the AIFM can give at any time further instructions to such third parties, and that it can withdraw their mandates under certain circumstances and with notification to the Fund without any undue delay. All delegation will be carried out in accordance with the AIFM Laws and Regulations.

The AIFM has established a remuneration policy which ensures that conflicts of interest are mitigated and that undue influence upon the employees involved is prevented. Any delegate of the AIFM must have remuneration policies and practices in place for the staff consistent with the requirements of the AIFMD.

In accordance with the requirements of Article 9(7) of the AIFMD, in order to cover its professional liability risk resulting from the activities it may carry out, the AIFM holds sufficient additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

The AIFM Agreement can be terminated by the AIFM or the Fund subject to and in accordance with its terms, and in certain circumstances, may be terminated forthwith by notice in writing by either the Fund or the AIFM upon notice to the other.

5.3 **Investment Manager**

The AIFM will delegate the discretionary portfolio management of each Sub-Fund to an Investment Manager identified in the Supplement of such Sub-Fund pursuant to the relevant Investment Management Agreement. A reference to the Investment Manager in this Prospectus shall be read as including a reference to any or all of the Investment Managers appointed by the AIFM from time to time.

Each Investment Manager will manage the investments of the Sub-Funds (or a portion thereof) in respect of which it is appointed in accordance with the investment guidelines and restrictions set forth in the relevant Supplement.

5.4 Global Distributor and Sub-Distributors

The AIFM is appointed as the Global Distributor of the Fund pursuant to the terms of the AIFM Agreement, to manage the distribution of each Sub-Fund, with authority to appoint one or more Sub-Distributors in respect of a particular jurisdiction or jurisdictions, as applicable, in accordance with the terms of the relevant sub-distribution agreement(s).

Each Sub-Fund shall be responsible for all fees payable to the Global Distributor and/or the Sub-Distributor(s) in respect of such Sub-Fund, in accordance with the terms of the relevant agreements and which may comprise annual fees, and (for the avoidance of doubt) such fees shall fall within the scope of the Operating Expenses of such Sub-Fund.

The Global Distributor and Sub-Distributor may, among other things, in accordance with the terms of the applicable agreement, manage the Sub-Fund's relationships with third-party registered investment advisers and broker-dealers engaged by them to participate in the distribution of Shares of the relevant Sub-Fund. The Global Distributor and/or each Sub-Distributor, may also coordinate the Sub-Fund's marketing and distribution efforts with participating broker-dealers and their registered representatives with respect to communications related to the terms of the offering, investment strategies, material aspects of operations and subscription procedures in the relevant Sub-Fund. Shares of each Sub-Fund may be marketed through placement agents appointed by the Global Distributor and/or each Sub-Distributor, from time to time, if and as permitted under the relevant agreement. Should a placement agent be so appointed, it would be entitled to receive customary placement fees and expenses for its services. Prospective Investors should refer to the relevant Supplement for further detail regarding any offset of placement fees payable by or on behalf of the Sub-Fund against the Investment Manager’s fees, where applicable.

In case of distribution of a Sub-Fund qualifying as an ELTIF to Retail Investors, to the extent required under the ELTIF Regulation, and without prejudice to any requirement generally applicable to the distribution of financial instruments such as shares or units in investment funds, the Global Distributor or Sub-Distributor(s), as applicable, shall verify that the potential Investor satisfies the eligibility criteria laid down in the ELTIF Regulation and this Prospectus and shall, in particular, prior to the potential Investor’s subscription or Commitment for Shares of the Sub-Fund, verify that the Sub-Fund is suitable for the Investor considering its experience, financial situation and investment objectives, or obtain the express consent of the potential Investor indicating that it understands the risks of investing in an ELTIF, in accordance with the requirements of the ELTIF Regulation.

5.5 Intermediaries

Investors will invest in the Fund either (i) directly or (ii) via an Intermediary. Therefore, depending on the terms of the contractual agreement in place with such Intermediaries, in respect of those Investors that invest in the Fund through an Intermediary (the “**Underlying Investors**”), this Prospectus may be applied to such Intermediaries on a look-through basis pro rata to the Underlying Investors’ indirect interest in the Fund. Consequently, voting rights and other rights will be exercised by Intermediary through, depending on the terms of the relevant arrangement with each Underlying Investor, either a split vote following voting instructions from the Intermediary or exercising voting rights further to a general power of attorney to vote on behalf of the relevant Underlying Investors. Any such Underlying Investor must qualify as an Eligible Investor which will be verified by the Intermediary. In addition,

each participation by an Intermediary on account of any single Underlying Investor may, if so agreed with the Intermediary, be treated as a separate participation from that Intermediary's other participations, in accordance and subject to the terms of this Prospectus.

The Fund draws Investors' attention to the fact that each Investor can only assert each of their Investor rights (in particular the right to take part in Shareholders' meetings) in their entirety directly against the Fund if such Investor is enrolled in his/her own name in the Fund's Share Register. In cases where an Underlying Investor makes his/her investment in the Fund via an Intermediary, which makes the investment in its own name but for the Underlying Investor's account, not all investor's rights can necessarily be asserted by the Underlying Investor directly against the Fund. Indeed, the Underlying Investor will generally not act as a Shareholder in the Fund and will have no direct rights of recourse against the Fund. Investors are advised to obtain information on their rights.

5.6 **Depositary**

The Fund has also appointed The Bank of New York Mellon SA/NV Luxembourg Branch as its depositary within the meaning of the 2010 Law, the AIFM Laws and Regulations and, where applicable, the ELTIF Regulation, pursuant to the Depositary Agreement ("**Depositary**").

The relationship between the Fund and the Depositary is subject to the terms of the Depositary Agreement. Under the applicable law and under the terms of the Depositary Agreement, the Depositary is responsible for the safekeeping of all assets of the Fund, including cash, securities and other financial instruments: the Depositary must have knowledge at any time of how the assets of the Fund have been invested and where and how these assets are available. The Depositary is also responsible for ensuring that the sale, issue, conversion, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with AIFMD, this Prospectus and the Articles of Association, ensuring that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits, and ensuring that the income of the Fund is applied in accordance with AIFMD, this Prospectus and the Articles of Association. The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2010 Law, the AIFM Laws and Regulations and, where applicable, the ELTIF Regulation. In carrying out its role as depositary, the Depositary must act solely in the interests of the Shareholders.

The Depositary Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) days' prior written notice. The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party materially defaults on its obligations under the Depositary Agreement and such default is not remedied within thirty days upon notice in writing from the other parties. The Depositary Agreement contains provisions exempting the Depositary from liability and indemnifying the Depositary in certain circumstances. The liability of the Depositary for the safe-keeping of the Fund's assets will not be affected by the fact that it has entrusted all or part of the custody of the assets to a third party unless the Depositary has discharged itself of its liability in accordance with the Depositary Agreement and the AIFM Laws and Regulations.

The Depositary shall provide such services as agreed in the Depositary Agreement and in doing so, shall comply with the AIFM Laws and Regulations, the 2010 Law, the ELTIF Regulation to the extent applicable, and the relevant CSSF rules.

The Depositary's principal duties include the following:

(i) ensuring that the Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Shares have been received in accordance with the Articles of Association and this Prospectus;

(ii) safekeeping the assets of the Fund, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly, all subject to the terms of the Depositary Agreement;

(iii) ensuring that sales, issues, repurchases, redemptions and cancellations of the Shares are carried out in accordance with AIFMD, this Prospectus and the Articles of Association;

(iv) ensuring that the value of the Shares is calculated in accordance with AIFMD, this Prospectus and the Articles of Association;

(v) carrying out the instructions of the AIFM, unless they conflict with AIFMD, this Prospectus or the Articles of Association;

(vi) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and

(vii) ensuring that the Fund's income is applied in accordance with AIFMD, this Prospectus and the Articles of Association.

The Depositary may delegate to one or more sub-custodians (each a "**Sub-Custodian**") the safekeeping of certain of the assets of the Fund in accordance with the terms of a written agreement between the Depositary and the Sub-Custodian. The Sub-Custodian may also use sub-delegates appointed in accordance with the terms of written agreements for the safekeeping of certain of the assets of the Fund and, in any case, subject to the provisions of the Depositary Agreement.

Under the terms of the Depositary Agreement, in general, the Depositary is liable for losses suffered by the Fund as a result of its negligence, wilful default, wilful misconduct, bad faith, fraud, intentional failure or in case such exculpation from liability would be contrary to mandatory provisions in the 2010 Law or AIFMD. Subject to the below, and pursuant to the Depositary Agreement, the Depositary will also be liable to the Fund for the loss of financial instruments of the Fund which are held in its custody. The liability of the Depositary for such loss will not be affected by any delegation to a sub-custodian, unless the Depositary has discharged itself of its liability in accordance with the Depositary Agreement and the AIFM Laws and Regulations. For any ELTIF Sub-Fund which is marketed to Retail Investors, the Depositary shall not be able to discharge itself of liability in the event of a loss of financial instruments held in custody by a third party. The Depositary will not be liable where the loss of financial instruments arises because of an external event beyond the reasonable control of the Depositary (or, as the case may be, of the sub-custodian), the consequences of which would have been unavoidable despite all reasonable efforts to the contrary, in accordance with the requirements of AIFMD. The Depositary shall not be liable for any indirect and/or consequential damage or losses.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, where a delegate is an Affiliate of the Depositary, the Depositary may have a financial or business interest in that delegate and these interconnections could give rise to potential conflict of interests represented by selection bias (choice of the delegate not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the delegate's solvency)

or single group exposure risk. Actual or potential conflicts of interest may arise between the Fund, Sub-Funds the Investors, the Board of Directors, the AIFM, and/or the relevant Investment Manager(s) on the one hand and the Depositary on the other hand. For example, such actual or potential conflict may arise because the Depositary is part of a group of legal entities which provides other products or services to the Fund or to a Sub-Fund. The Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Fund or Sub-Funds, or may have other clients whose interests may conflict with those of the Fund, the Sub-Funds, the Investors, the Board of Directors or the AIFM. The Depositary and any of its Affiliates may effect, and make a profit from, transactions in which the Depositary (or its Affiliates, or another client of the Depositary or its Affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Fund or a Sub-Fund. This includes, for example, circumstances in which the same group of entities to which the Depositary or any of its Affiliates or connected persons belong: acts as Administrator, provides stock lending services and foreign exchange facilities to the Fund, a Sub-Fund and/or to other funds or companies; acts as banker, derivatives counterparty of the Fund or a Sub-Fund; acts in the same transaction as agent for more than one client; or earns profits from or has a financial or business interest in any of these activities. Under the Depositary Agreement, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients. The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any potential conflict of interest. Disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

5.7 Administrator, Transfer and Registrar Agent

Pursuant to the Administration Agreement, the Administrator will carry out all central administrative duties related to the central administration of the Fund and its Sub-Funds, including calculating the Net Asset Value under the AIFM supervision of the Fund, the Sub-Funds thereof and the Shares therein, performing the client communication services such as disseminating distribution notices and distributing audited financial statements to Shareholders and carry out all such other functions as required by Luxembourg law.

In its capacity as registrar and transfer agent of the Fund and its Sub-Funds, the Administrator: (i) will maintain the accounting records of each Sub-Fund, as well as process all subscriptions, redemptions (as applicable) and transfers of Shares and register these transactions in the Share Register; and (ii) is also responsible for collecting the required information and performing verifications on Investors to comply with the status of Eligible Investor and with applicable anti-money laundering rules and regulations.

The Administrator is entitled to delegate, with prior notification to the Fund and the AIFM, all or part of its functions under its responsibility and costs to its Affiliates which will be required to comply with the general provisions and regulations of the Luxembourg financial sector.

The Fund has agreed to indemnify and hold harmless the Administrator for any and all claims, losses, liabilities, judgments, costs or expenses (including attorneys' fees and expenses) (collectively, "**Losses**") incurred or sustained by the Administrator as a result of or in connection with the Administrator's reliance upon and compliance with instructions and directions given by facsimile, email or other electronic methods, provided however that such Losses have not arisen from the fraud,

negligence, material breach or wilful misconduct of the Administrator. The Administration Agreement may be terminated by the Fund, the AIFM where applicable or the Administrator on not less than ninety (90) days' prior written notice to the other party, although it may be terminated on shorter notice in certain circumstances as described in the Administration Agreement.

5.8 Valuation Support Agent

Subject to the terms of the relevant Supplement, the AIFM (and/or another Morgan Stanley entity) may appoint a Valuation Support Agent in order to provide expert, independent valuation support services in respect of the assets of the Sub-Funds from time to time and its responsibilities shall include, among others, providing valuation inputs and other valuation support services as instructed by the AIFM from time to time. Unless otherwise disclosed, such a Valuation Support Agent shall not constitute an 'external valuer' for the purposes of AIFMD.

The AIFM shall be ultimately responsible for approving all final valuations of the Sub-Fund's assets used for the purposes of calculating the Net Asset Value of the Fund in accordance with the AIFM's valuation policy for the Fund and the provisions of the Prospectus and the Articles of Association.

5.9 Auditor

Deloitte Audit S.à r.l. has been appointed to serve as the independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the General Meeting of the Fund. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2010 Law.

5.10 Indemnification

To the fullest extent permitted by applicable law, the Fund, out of the assets of the relevant Sub-Fund, will indemnify and hold harmless each of the members of the Board of Directors, the AIFM, the relevant Investment Manager, any Sub-Investment Manager, any distributor or Sub-Distributor or, any of their Affiliates, and any Person nominated by the Board of Directors, the AIFM, the relevant Investment Manager, any Sub-Investment Manager or any of their Affiliates to be a board member of any company in which the Sub-Fund invests, and each of the current and former officers, directors, managing directors, shareholders, partners, agents, members, equity owners, employees or controlling persons of the AIFM, the relevant Investment Manager, any Sub-Investment Manager or any of their Affiliates and other representatives of any of the foregoing and any person serving or who has served at the request of the AIFM as a member of an advisory committee (each an "**Indemnified Person**") from and against any and all claims, demands, liabilities, damages, costs, expenses (including legal fees), losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated (collectively, "**Claims and Expenses**") which may be imposed on, incurred by or asserted at any time against such Indemnified Person related to or arising out of the management or administration of the Fund or a Sub-Fund or in connection with the business or affairs of the Fund or a Sub-Fund or the activities of such Indemnified Person on behalf of the Fund or a Sub-Fund, or any contractual arrangements agreed upon by Investors; provided however, that no Indemnified Person will be entitled to indemnification hereunder to the extent such Claims and Expenses resulted from Disabling Conduct.

To the fullest extent permitted by applicable law, each Sub-Fund will pay the reasonably incurred and documented costs and expenses (including reasonable legal fees and expenses and costs of investigation) incurred by an Indemnified Person in defending any claim, demand, action, suit or

proceeding as such costs and expenses are incurred by such Indemnified Person and in advance of the final disposition of such matter, provided that such Indemnified Person undertakes to repay such expenses if it is determined by an arbitration tribunal or court of competent jurisdiction that such Indemnified Person is not entitled to be indemnified.

For the avoidance of doubt, an Indemnified Person shall only be entitled to the benefit of an indemnity as outlined in this section pursuant to the Articles of Association from the relevant Sub-Fund, and not from the Fund as a whole, with respect to any claims, losses, liabilities, damages, reasonable costs or expenses suffered or incurred or threatened attributable to such Sub-Fund.

Investors acknowledge and agree that the Indemnified Persons are beneficiaries of and are subject to the terms and conditions of the exculpation and indemnification provisions of this Prospectus (including with respect to taxes), the Articles of Association, the Subscription Agreements and the terms of the relevant service provider agreements. Notwithstanding the foregoing, nothing in this Prospectus shall constitute a waiver or limitation of the Investment Manager's or any of its Affiliates' potential liability, or of any rights that an Investor or a Sub-Fund may have, under applicable securities laws or other laws and that may not be waived or under any fiduciary duty arising under the Advisers Act.

6. SHARES

6.1 Shares, Sub-Funds and Share Classes

6.1.1 Shares

The share capital of the Fund is represented by fully-paid Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is currently the equivalent in the Reference Currency of the Fund of one million two hundred and fifty thousand euro (EUR 1,250,000). Such minimum capital must be reached within a period of twelve (12) months after the date on which the Fund has been authorised as an investment company with variable capital under the 2010 Law. Unless otherwise stated in the Supplement, Shares must be fully paid-up upon their subscription in accordance with the terms set out in the Supplement.

Shares in each Sub-Fund will be initially issued at a fixed issue price as will be indicated in the relevant Supplement of 100 EUR each, or the equivalent in the Reference Currency of the Sub-Fund or Share Class, and thereafter at such price as determined in accordance with the relevant Supplement. Any further terms and conditions of the Shares, any Share Class or sub-class, will be described for each Sub-Fund in the relevant Supplement and Subscription Agreements, where applicable.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting Shareholder. The registration of a Shareholder in the Share Register of the Fund evidences the Shareholder's ownership right with respect to the Shares of the relevant Sub-Fund.

The Fund will recognise only one single Shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund and the relevant Sub-Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

Unless otherwise stated in the Supplement, Shares carry no preferential or pre-emptive rights and the Fund is authorised without limitation to issue an unlimited number of fully paid-up Shares in each Sub-Fund on any date indicated in this Prospectus or relevant Supplement without reserving to existing Investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Voting Share entitles the Shareholder to one (1) vote at all General Meetings of Shareholders of the Fund and, unless otherwise stated in the Supplement, at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same Shareholder in the same Share Class represents one or more entire Shares, such Shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares shall be issued in accordance with the terms and conditions as shall be decided by the Fund in respect of each Sub-Fund as set out in the relevant Supplement. Shares are each entitled to

participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the relevant Supplement.

6.1.2 **Sub-Funds**

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 7.2 (*Valuation Procedure*) of this Prospectus.

Each Sub-Fund may be established for an unlimited or limited duration as specified in its Supplement. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

A Sub-Fund may be characterised as being of an Open-Ended Sub-Fund or a Closed-Ended Sub-Fund. Although either type may share certain features with the other, they have certain principled differences. Fundamentally, an Open-Ended Sub-Fund allows Investors to request the redemption of their Shares. It typically has the inherent ability by its terms to increase or decrease its paid-in share capital over its lifetime in response to Investor-requested subscriptions and redemptions, respectively. Investors will be admitted to such Sub-Fund and may subscribe to and redeem from such Sub-Fund at such times and on such basis as described in the relevant Supplement. A Closed-Ended Sub-Fund will not grant Investors a right to redeem their Shares. In practice this fundamentally means that its maximum paid-in share capital is defined in one or more closings at the outset of the Sub-Fund and Investors do not thereafter have the ability to request that the Sub-Fund accept more Contributions or return any contributed capital.

Additional Sub-Funds may be established by the Board of Directors from time to time without the consent of Investors in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

6.1.3 **Share Classes**

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, hedging policy, distribution policy, income and profit entitlements, redemption features, exposure to underlying assets or other distinctive features, or be offered or reserved to different types of Investors, as set out in the Supplements.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors in the relevant Share Class will be notified, at least three (3) months prior

to each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of Investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the relevant Supplement.

Unless otherwise stated in each Supplement, Shareholders may not convert their Shares from one Share Class to another without the approval of the Board of Directors (or its delegate), who reserves the right to accept or refuse any application for conversion at its discretion. The Board of Directors (or its delegate) may also instruct the conversion of Shares into Shares of another Share Class. If permitted or instructed by the Board of Directors (or its delegate), Shares will be converted at the applicable Net Asset Value per Share of the relevant Share Classes or, for a new Share Class, at the initial issue price per Share. Investors should note that the conversion procedures set out in this subsection may involve the conversion of Shares belonging to a Share Class listed on a recognised stock exchange into an unlisted Share Class and vice versa.

The Board of Directors (or its delegate) may determine that Shares of a Share Class may be issued in successive series differentiated by their respective issue date and/or any other characteristics as determined by the Board of Directors (or its delegate) (each, a "**Series**"). All common characteristics attributable to a Share Class, as disclosed in this Prospectus, will apply to all Series within that Share Class, provided that each Series may have a specific denomination, identification number and/or code. Any reference to a Share Class in this Prospectus shall be a reference to each Series of the relevant Share Class, as applicable.

6.1.4 **Hedged Share Classes**

Subject to the provisions of the Supplement in respect of a Sub-Fund, the Board of Directors may, from time to time, create Share Classes denominated in another currency than the Reference Currency of the Sub-Fund and may seek to hedge the performance of such Share Class against movements in exchange rates between the currency of such Share Class and the Reference Currency of the Sub-Fund ("**Hedged Share Classes**"). Such hedging administration may be carried out by the AIFM or the relevant Investment Manager or may be carried out on a passive, non-discretionary basis by a currency administrator appointed by the AIFM or the relevant Investment Manager. Realised and unrealised gains and losses arising under hedging arrangements will be allocated to the relevant Hedged Share Class only. Such hedging arrangements may involve the use of a wide range of hedging techniques and instruments, including financial derivative instruments, which cost will be allocated to the relevant Hedged Share Class only.

6.2 **Eligible Investors**

Shares may only be acquired or held by Investors who satisfy all additional eligibility requirements for a specific Sub-Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the relevant Supplement (an "**Eligible Investor**"). Each Sub-Fund and/or each Share Class may have different requirements as to the eligibility of its Investors. Certain Sub-Funds or Shares Classes may be reserved to specified categories of Investors such as Institutional Investors or Investors who are residents of or domiciled in specific jurisdictions. Eligibility requirements for each Sub-Fund or Shares Class are set out in the relevant Supplement.

The Board of Directors has decided that any Investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those Persons described in section 6.9 (*Prohibited Persons*) of this Prospectus. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 6.9 (*Prohibited Persons*) of this Prospectus).

The Global Distributor or Sub-Distributor(s) as applicable will verify that each prospective Shareholder satisfies all eligibility requirements for a specific Sub-Fund or Share Class to qualify as an Eligible Investor. For each Sub-Fund that qualifies as an ELTIF and is marketed to Retail Investors, where required under the ELTIF Regulation, the Global Distributor or Sub-Distributor(s) will furthermore verify that such Sub-Fund is suitable for retail investors regarding their experience, financial situation and investment objectives.

6.3 Subscription for Shares

The subscription process applicable in respect of each Share Class in each Sub-Fund will follow a paid-in subscription model (generally in the case of Open-Ended Sub-Funds) or a drawdown model (generally in the case of Closed-Ended Sub-Funds), each as further explained below and subject to the provisions of the relevant Supplement.

The Board of Directors is authorised to decide the frequency and the terms and conditions pursuant to which Shares in each Sub-Fund will be issued. The Board of Directors may delegate to any duly authorised agent (including, without being limited to, the AIFM and/or the Administrator) the power to accept subscriptions or Commitments for Shares, to receive payment for the Shares to be issued and to deliver them. The Board of Directors may also delegate to any Directors, manager, or officer the power to accept subscriptions or Commitments for Shares and instruct any duly authorised agent (including, without being limited to, the AIFM and/or the Administrator) to receive payment for the Shares to be issued and deliver them.

Investors in ELTIF Sub-Funds will have the right, in accordance with the ELTIF Regulation, during a period of at least two (2) weeks after the signature of their Subscription Agreement, to cancel their subscription or Commitment and have the money returned, if any, without penalty.

6.3.1 Paid-in subscriptions

The subscription for Shares in Open-Ended Sub-Funds will generally follow a paid-in subscription model as set out below, subject to the provisions of the Supplement, whereby Investors whose subscription is accepted will be required to make a cash payment up front in exchange for Shares in the Sub-Fund.

(i) Application process

Prospective Investors wishing to subscribe for Shares of a relevant Sub-Fund or Share Class will be requested to complete a Subscription Agreement in which they irrevocably apply to subscribe and pay for the Shares. The form of Subscription Agreement is available from the Administrator and, as the case may be, from the Global Distributor or Sub-Distributors. By executing a Subscription Agreement and/or by the acquisition of Shares, each Investor fully adheres and accepts the terms of the Articles of Association and this Prospectus which determine the contractual relationship between the Investors, the Fund and any person involved in the management or administration of the Fund,

as well as amongst the Investors themselves. Upon the date of the first issuance of Shares to an Investor, the Investor will become a Shareholder in the relevant Sub-Fund and be fully entitled to all rights and benefits attaching to the Shares concerned.

The Subscription Agreement must be submitted following the instructions therein. The Fund will only process subscription applications that the Board of Directors (or its delegate), the AIFM and/or the Administrator considers clear and complete and which, in the discretion of the Board of Directors (or its delegate), the AIFM and/or the Administrator, satisfy any requirements imposed under know your client, anti-money laundering, terrorist financing and economic sanctions regime verifications carried out by the Fund, the AIFM and/or the Administrator or such other person designated by them. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Board of Directors (or its delegate), the AIFM and/or the Administrator. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to Investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Prospective Investors may request to subscribe for Shares of any Share Class at such Dealing Dates as specified in the relevant Supplement. Applications must be submitted by the Dealing Date or before as detailed in the Supplement of the relevant Sub-Fund, in order for such applications to be processed, if accepted, at the subscription price applicable to that Dealing Date. Applications received after the Dealing Date will be treated as deemed applications received for the next Dealing Date. However, the Board of Directors (or its delegate), the AIFM and/or the Administrator may in their discretion accept subscription applications received after the Dealing Date subject to certain conditions and restrictions, including to prevent late trading, market timing and other abusive practices. Applications received by the Fund are irrevocable until the next Dealing Date, unless specified in a Supplement or otherwise determined by the Board of Directors in its discretion.

The Board of Directors (or its delegate), the AIFM and/or the Administrator will determine whether to accept or reject subscription applications in all or in part, and/or defer a subscription request in all or in part to a subsequent Dealing Date, subject to the terms of the relevant Supplement. Unless otherwise provided in a Supplement, the Board of Directors (or its delegate), the AIFM and/or the Administrator will have entire discretion in this respect. Without limitation, they may refuse an application for subscription where they determine that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the relevant Sub-Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of the relevant Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Board of Directors. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the relevant Sub-Fund, and/or in other circumstances as may be described in the relevant Supplement.

(ii) Settlement and defaults

Cleared funds equal to the full amount of the subscription price (plus any Subscription Fee) must be received by the Sub-Fund by the specific period of time for each Sub-Fund as indicated in the relevant Supplement. Settlement details are available in the Subscription Agreement. Unless otherwise

disclosed in the relevant Supplement, the subscription price must be paid in the Reference Currency of the Share Class. If applicable, any Subscription Fee will be applied to the subscription price and reduce the amount of Shares issued to the Investor.

Where disclosed in the relevant Supplement and within the limits set out therein, the Fund may agree to issue Shares as consideration for a "contribution in kind" of assets, provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other Investors of the Sub-Fund and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Board of Directors. The Fund and the contributing Investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing Investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all Investors of the Sub-Fund.

If the payment of the subscription price has not been received by the end of the normal subscription settlement period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Board of Directors (or its delegate), the AIFM and/or the Administrator, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable redemption price (less any Redemption Fee). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the subscription settlement period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the subscription price by the end of the subscription settlement period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the Shareholder's other Shares, if any, in order to pay for such losses, costs or expenses.

The subscription process applicable in respect of each Sub-Fund may be further specified for each Sub-Fund or Share Class in the relevant Supplement.

6.3.2 **Commitments and Drawdowns**

The subscription for Shares in Closed-Ended Sub-Funds will generally follow a drawdown model as set out below, subject to the provisions of the Supplement, whereby Commitments of Investors will be accepted at one or more closings and Investors will be required to make on more Contributions to the Sub-Fund from time to time in satisfaction of their Commitment. Some Open-Ended Sub-Funds may operate in a similar manner to typical Closed-Ended Sub-Funds, as described in the relevant Supplements.

(i) Capital Calls

For Sub-Funds following a drawdown model, the Commitment will be fully or partially drawn down from Investors over time or in a single payment, on an as-needed basis to make investments and to make payments in respect of fees, costs, other obligations, liabilities and expenses of the Sub-Fund. Each drawdown request made upon an Investor is referred to herein as a Capital Call.

Unless otherwise specified in the relevant Supplement, Investors will receive at least five (5) Business Days' prior written notice for each drawdown. Each Capital Call Notice shall specify the amount required to be paid by such Investor to the Sub-Fund, whether such capital is called in satisfaction of such Investor's Commitment, the number of Shares to be issued to the Investor as a result of the Capital Call and the due date for such payment. Drawdowns will be made in the Reference Currency of the relevant Share Class.

The Board of Directors (or its delegate), the AIFM and/or the Administrator in principle shall not be permitted to call an aggregate amount from an Investor which is in excess of such Investor's Commitment. Unless otherwise stated in the relevant Supplement and in no case in relation to a Sub-Fund qualifying as an ELTIF, the Board of Directors or any person to whom such powers have been delegated by the Board of Directors shall be permitted to call additional amounts in excess of such Investor's Commitment (the "**Additional Contribution**") to fund investments, to pay operating expenses, to pay the Management Fee or to satisfy any indemnification obligations, tax obligations or other obligations of a Sub-Fund; provided that no Investor will be required to contribute Additional Contributions (excluding, for the avoidance of doubt, any recall of distributions and any amounts contributed in respect of such Investor's Commitment) in an amount in excess of 10% of such Investor's Commitment.

Commitments shall be drawn down from Investors in a given Share Class on a pro-rata basis to their Undrawn Commitments unless otherwise set forth in a Supplement. Subject to the principle of equal treatment of Investors, Commitments may be drawn down by the Board of Directors (or its delegate), the AIFM and/or the Administrator, on a different basis than pro rata as the Board of Directors (or its delegate), the AIFM and/or the Administrator, deems necessary or advisable to meet tax, regulatory, or other requirements applicable to the Fund, the Sub-Fund or an Investor, subject to the conditions set out in the relevant Supplement.

(ii) Settlement, defaults

Upon payment by an Investor of the amount specified in the Capital Call Notice to the account specified in such Capital Call Notice, the Fund shall issue to such Investor such number of Shares of the relevant Sub-Fund and Share Class as are calculated in accordance with the relevant Supplement.

Failure to dispatch any Capital Call Notice to any Investor or the non-receipt of any such notice by an Investor shall not mean, by itself, that such Investor is not required to meet such Capital Call. In relation to any such Investor, the notice period for payment shall commence on the date on which the call is actually made and the notice thereof has been dispatched and received or deemed to be received by the Investor, no interest shall be charged to such Investor and such Investor shall not constitute a Default (as defined below) by the Investor if the Capital Call is met within such notice period.

The failure to timely satisfy an obligation to make payments pursuant to a Capital Call will constitute a Default by the Investor and subject such Investor to the consequences described in more detail under the following section or the relevant Supplement and the Articles of Association.

Unless provided otherwise in the relevant Supplement, if at any time any Investor fails to timely pay in full any requested Contribution as specified in the Capital Call Notice and such failure continues for ten (10) Business Days (a "**Default**"), the amount of such Default (the "**Default Amount**") shall accrue interest equal to the amount set out in the relevant Supplement.

Upon the occurrence of any Default, the Fund shall promptly notify the Investor who has committed such Default of the occurrence of such Default (the "**Default Notice**"); provided that a failure by the Fund to deliver such Default Notice shall not constitute a waiver of such Default and no notice shall be required for the accrual of interest as set forth in this paragraph.

Following the notification of a Default Notice, the Fund may in its discretion designate an Investor as being a "**Defaulting Investor**". The Fund may in its sole discretion, choose not to designate an Investor as a Defaulting Investor and may agree to waive or permit the cure of any Default by such Investor, subject to such conditions as the Fund and the Defaulting Investor may agree upon.

Upon the designation of an Investor as a Defaulting Investor, subject to anything to the contrary contained herein (including in the relevant Supplement), the Fund, in its discretion, may exercise any or all of the rights set forth in this paragraph:

(a) cause the Defaulting Investor to forfeit all or any portion of distributions from the Sub-Fund made or to be made after the designation of such Investor as a Defaulting Investor;

(b) apply an additional penalty interest rate against the Default Amount, as set out in the relevant Supplement and cause distributions that would otherwise be made to the Defaulting Investor to be applied as satisfaction of such amount;

(c) apply to the Defaulting Investor's Shares any additional costs incurred by the relevant Sub-Fund as a result of such Default;

(d) cause a forced sale of the Defaulting Investor's Shares to any person (including, in the discretion of the Fund, one or more of the other Investors), equal to such price that the Fund reasonably determines is attainable in light of market conditions. Such person or persons shall, if applicable, after executing such instruments and delivering such opinions and other documents as are in form and substance satisfactory to the Board of Directors, be admitted to the Fund as an Investor or Shareholder with respect to such Shares, and shown as such on the books and records of the Fund. After giving effect to any forced sale, the Defaulting Investor shall be treated as having no further interest in the Sub-Fund;

(e) cause the Defaulting Investor to forfeit its right to participate in any portion of a Sub-Fund's direct or indirect investments funded after the designation of such Investor as a Defaulting Investor;

(f) cause the Defaulting Investor to indemnify the Fund as a result of a Default to cover costs and expenses the Fund had to incur for having to draw the Default Amount on a bridge facility, as the case may be;

(g) institute proceedings against the Defaulting Investor to recover the Default Amount;

(h) withhold from the Defaulting Investor any reports or other information with which the Defaulting Investor would otherwise be entitled to receive, and/or suspend the right of the Defaulting Investor to participate in any vote, approval or consent of the Investors; or

(i) exercise any other remedy available under Luxembourg law.

In completion or derogation from the above, each Supplement may provide for specific mechanisms in relation to a Default. The rights and remedies referred to in this section "Default" shall be in addition to, and not in limitation of, any other rights available to the Fund under this Prospectus, the Articles of Association or by law. A Default by any Investor in respect of any Contribution shall not relieve any other Investor of its obligation to make Contributions under this Prospectus.

In addition, the designation of an Investor as a Defaulting Investor shall not relieve such Investor of its obligation to make Contributions subsequent to such designation.

6.4 Redemption of Shares

Unless otherwise provided in the relevant Supplement, the Fund shall apply the redemption policy set out below for Open-Ended Sub-Funds. The specific terms and conditions on which an Investor in an open-ended Sub-Fund will be permitted to redeem its Shares from the Sub-Fund will be specified in the relevant Supplement.

Unless otherwise specified in the relevant Supplement, an Investor in a Closed-Ended Sub-Fund may not unilaterally withdraw any amount from the Sub-Fund or cause its Shares to be redeemed prior to the term of the Sub-Fund.

(i) Application process

Investors in Open-Ended Sub-Funds wishing to redeem all or any of their Shares will be requested to complete a Redemption Form in which they apply for redemption of their Shares. The Redemption Form is available from the Administrator and, as the case may be, from Global Distributors, Distributors and Sub-Distributors. Upon the date of the effective redemption of all Shares of an Investor, the Investor will cease to be a Shareholder in the relevant Sub-Fund and will no longer be entitled to the rights and benefits attaching to the Shares concerned.

The Redemption Form must be submitted following the instructions therein. The Fund will only process redemption applications that it considers clear and complete and which, in the discretion of the Fund, the AIFM and/or the Administrator, satisfy any requirements imposed under know your client, anti-money laundering, terrorist financing and economic sanctions regime verifications carried out by the Fund, the AIFM and/or the Administrator or such other person designated by them. Applications will be considered complete only if the relevant Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Shareholders may apply for redemption of their Shares on any Dealing Date as specified in the relevant Supplement. Applications must be submitted by the Dealing Date or before as detailed in the Supplement of the relevant Sub-Fund, in order for such applications to be processed, if accepted, at the redemption price applicable to that Dealing Date. Applications received after the Dealing Date will be treated as deemed applications received for the next Dealing Date. However, the Board of Directors (or its delegate) may in its discretion accept subscription applications received after the Dealing Date subject to certain conditions and restrictions, including to prevent late trading, market timing and other abusive practices. Applications received by the Fund are irrevocable, unless specified in a Supplement or otherwise determined by the Board of Directors in its discretion.

The Board of Directors (or its delegate) will determine whether to accept or reject redemption applications in whole or in part, and/or defer a subscription request in all or in part to a subsequent Dealing Date, subject to the terms of the relevant Supplement. The Fund shall not redeem the Shares if, as a result, the net assets of the Fund would fall below the minimum share capital provided by the 2010 Law, except if the Fund is in liquidation.

The redemption of Shares of the relevant Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Board of Directors (or its delegate). The redemption of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the relevant Sub-Fund, and/or in other circumstances as may be described in the relevant Supplement.

On any given Dealing Date, subject to the specific conditions for redemptions as set out in the Supplement of each Sub-Fund, each Sub-Fund may decide that all or part, on a pro rata basis, of requests for redemption will be deferred to the next or subsequent Dealing Dates.

The redemption process applicable in respect of each Sub-Fund may be further specified for each Sub-Fund or Share Class in the relevant Supplement.

(ii) Settlement

Redemption proceeds equal to the full amount of the redemption price (less any Redemption Fee) will normally be paid by the end of the redemption settlement period specified in the relevant Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Shareholders should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. The Fund will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming Shareholder and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Share Class, unless set out in the relevant Supplement.

Unless otherwise specified in a Supplement, the Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal redemption settlement period when there is insufficient liquidity, in exceptional circumstances determined by the Board of Directors in its discretion, or as otherwise determined in a Supplement. If redemption proceeds cannot be paid by the end of the normal redemption settlement period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the subscription price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to Shareholders on redemption proceeds paid after the end of the normal redemption settlement period.

The payment of redemption proceeds may also be delayed until the Shareholder has provided all information and supporting documentation as deemed necessary, in the discretion of the Fund, the AIFM and/or the Administrator, to satisfy any requirements imposed under know your client, anti-money laundering, terrorist financing and economic sanctions regime verifications carried out by the Fund, the AIFM and/or the Administrator or such other person designated by them. Redemption proceeds, if any, will be deposited in escrow at the *Caisse de Consignation* in Luxembourg if and to

the extent required by applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

Unless set out otherwise in the Supplements, subject to applicable laws and regulations, the Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to a Shareholder a “redemption in kind” whereby the Shareholder receives a portfolio of assets of a Sub-Fund of equivalent value to the redemption price (less any Redemption Fee). In such circumstances, except during the liquidation of the Fund or a Sub-Fund, the Shareholder must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other Shareholders of a Sub-Fund and the principle of fair treatment. Where the Shareholder accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d’entreprises agréé*) agreed by the Fund. The Fund and the redeeming Shareholder will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming Shareholder or by such other third party as agreed by the Fund.

6.5 Compulsory redemption of Shares

Unless otherwise provided for in the relevant Supplement, the Fund may unilaterally redeem Shares of a Shareholder if (i) such Shareholder ceases to be an Eligible Investor or is found to be a Prohibited Person or (ii) a transfer of the Shares has been made to a Prohibited Person or otherwise in breach of the Articles of Association or this Prospectus.

In case of such compulsory redemption of the Shares, the following rules and procedure shall be followed, unless otherwise specified in the relevant Supplement:

(i) The Fund shall send a notice (the "**Exclusion Notice**") to such Shareholder and the Exclusion Notice shall specify the Shares to be redeemed, the price to be paid (determined pursuant to paragraph (b) below), and how the redemption price shall be payable (determined pursuant to paragraph (b) below). The Exclusion Notice shall be sent to such Shareholder by registered letter to the address indicated in the Share Register. From the closing of the offices on the day specified in the Exclusion Notice, such Shareholder shall cease to be the owner of the relevant Shares specified in the Exclusion Notice and the certificates representing these Shares (if any) shall be rendered null and void in the Share Register.

(ii) The redemption price will be equal to the amount specified in, and calculated in accordance with, the Supplement.

The remedies applied against such Shareholder as set out above are without prejudice to any recourse that the Fund may adopt under the Articles of Association, this Prospectus, the relevant Supplement or under applicable laws.

In addition, the Fund may unilaterally redeem the Shares of any Shareholder as set out in each Supplement, and according to the rules and procedure stated therein, as the case may be.

6.6 Conversion of Shares

Unless otherwise determined by the Board of Directors for certain Share Classes or Sub-Funds, any Shareholder may request the conversion of all or part of his Shares of one Share Class of another

Share Class or to Shares of a different type within the same Share Class, within the same or another Sub-Fund under the terms, conditions and procedures set forth by the Board of Directors in this Prospectus. The conversion request may not be accepted until any previous transaction involving the Shares to be converted has been fully settled.

The price for the conversion of Shares shall be computed by reference to the respective subscription and redemption prices of the two classes of shares applicable on the Dealing Date. The Fund may also levy any applicable charges, expenses and commissions upon conversion, as provided for in this Prospectus.

If as a result of any request for conversion, the number or the aggregate Net Asset Value of the Shares held by any Shareholder in any Share Class would fall below such minimum number or such minimum value as determined by the Board of Directors, the Board of Directors may then decide that this request be treated as a request for conversion for the full balance of such Shareholder's holding of Shares in such Share Class.

6.7 Transfer of Shares

Unless otherwise stated in the Supplement, Shares may not be transferred, assigned, novated, pledged or otherwise encumbered without a determination by the Board of Directors (or its delegate) that the conditions for transfers of Shares as set out in the Articles of Association and this Prospectus are satisfied. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons (including, for the avoidance of doubt, U.S. Persons).

Shares are only transferable to Eligible Investors and may be subject to such other transfer conditions as set forth in the relevant Supplement with respect to each Sub-Fund. Any transfer that may result in any material adverse consequence to the Sub-Fund (or to its Investors generally) will not be accepted.

Unless otherwise stated in the Supplement, the Board of Directors (or it delegate) may determine, where applicable, that a transfer of Shares (i) must be evidenced by a written agreement executed by the transferor, the transferee(s) and the Fund, in form and substance satisfactory to the Board of Directors (or its delegate), and (ii) that any such transfer of Shares is subject to the transferee fully and completely assuming in writing, prior to the transfer, all outstanding obligations of the transferor under the Subscription Agreement entered into by the transferor or otherwise, including where applicable, without limitation, its existing and future obligations in respect of Contributions arising under its Commitment related to the Shares being transferred.

The Fund shall be entitled to receive from the transferor and transferee such documents as deemed useful or necessary by the Board of Directors (or its delegate) to determine that the conditions for transfers of Shares as set out in the Articles of Association and this Prospectus are satisfied.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer recorded in the Share Register following the delivery to the Board of Directors of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund. The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator and/or the Board of Directors may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the

acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

No purported transfer shall be recognised by the Fund and any purported transfer shall be void unless effected in accordance with and as permitted by the Articles of Association and this Prospectus.

Notwithstanding the preceding provisions, if and so long as a Shareholder qualifies as (i) a German Regulated Investor (as defined below) or as (ii) a German capital investment company holding its Shares for an open-ended investment fund subject to the provisions of the German Capital Investment Act (*Kapitalanlagegesetzbuch*), such Shareholder shall have the right, at any time, to transfer all or part of its Shares without the prior consent of the Board of Directors, the AIFM and/or the relevant Sub-Fund to a transferee that executes a Subscription Agreement and qualifies as an Institutional Investor or financial intermediary, which includes insurance companies, social insurance carriers, pension funds, investment funds, foundations and credit institutions unless the proposed transferee is considered by the Board of Directors as a Prohibited Person or a competitor of the AIFM, the Investment Manager and/or any of their Affiliates or the transfer would result in a violation of any applicable law or regulation or result in material adverse regulatory, legal, tax or other consequences. Other potential transferees can, upon execution of a Subscription Agreement, be accepted as transferees with respect to the Shares provided they are sufficiently financially sound (investment grade rating) or provide adequate security, unless the proposed transferee is considered by the Board of Directors as a Prohibited Person or competitor of the AIFM, the Investment Manager and/or any of their Affiliates and unless such transfer does would result in a violation of any applicable law or regulation or any material adverse regulatory, tax or other legal consequences. Upon the transfer of all or part of its Shares by a German Regulated Investor, the transferee shall accept and become solely liable for all liabilities and obligations relating to such Shares and the transferring German Regulated Investor shall be released from (and shall have no further liability of any nature, not even a secondary or joint and several liability, for) such liabilities and obligations. The relevant German Regulated Investor wishing to transfer all or part of its Shares shall give not less than twenty (20) calendar days' prior written notice to the Board of Directors and shall furnish the Board of Directors with such information in relation to the proposed transfer and the proposed assignee or transferee as may be required by the Board of Directors. The transferring German Regulated Investor and the transferee will, among other possible requirements, be required to represent to the Board of Directors, in a form acceptable to the Board of Directors, that the proposed transfer does not violate any laws or regulations (including any securities laws) applicable to such transferring German Regulated Investor and such transferee. In this context, "**German Regulated Investor**" means a Shareholder qualifying as a German insurance company, German *Pensionskasse* or German pension scheme (including a German *Versorgungswerk)* or any other entity subject to the investment restrictions of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*) holding Shares as part of its guarantee assets ("*Sicherungsvermögen*") as defined in section 125 of the German Insurance Supervisory Act or the German Ordinance on the Investment of the Guarantee Assets of Occupational Pension Funds, Death Benefit Funds and Small Insurance Companies or the German Ordinance on the Supervision of Pension Funds (*Pensionsfonds*) (or which are governed by the general principles set out in section 124 of the German Insurance Supervisory Act).

Insofar and as long as a German Regulated Investor holds its Shares as part of its guarantee assets ("*Sicherungsvermögen*" as defined in Section 125 of the German Insurance Supervisory Act) and such German Regulated Investor is either in accordance with Section 128 of the German Insurance Supervisory Act under the legal obligation to appoint a trustee (*Treuhänder*) or is subject to similar legal requirements, such German Regulated Investor shall in general only dispose of its Shares with

the prior written consent of such trustee or its authorised representative appointed in accordance with the German Insurance Supervisory Act or similar legal requirements. In case of an emergency which requires that a German Regulated Investor disposes of its Shares at short notice (i.e., within five (5) Business Days), a consent from such trustee (or such authorised representative) in form of an email, rather than a written consent of such trustee, shall be sufficient subject to the requirements set out in the applicable circulars issued by the German regulator BaFin, but such German Regulated Investor shall remain obligated to deliver the written consent of such trustee (or such authorised representative) without undue delay.

6.8 Trading of Shares on a stock exchange

Unless otherwise specified in the relevant Supplement, Shares of certain Share Classes may be listed and admitted to trading on the Luxembourg Stock Exchange, the EuroMTF market of the Luxembourg Stock Exchange or any other market segments or stock exchanges as the Board of Directors (or its delegate) may determine from time to time. The relevant Supplement will specify if Shares or Share Classes are or are intended to be listed.

Any Shares listed on a recognised stock exchange are, as a rule, freely transferable subject to the rules and/or regulations governing such stock exchange and the restrictions of ownership and conditions on holding Shares (as set out in this Prospectus and the Articles of Association) will nevertheless apply to any person to which Shares are transferred on such stock exchanges. The holding at any time of any Shares by, on behalf of or for the account or benefit of a Prohibited Person may result in the compulsory redemption of such Shares in accordance with the provisions of this Prospectus and the Articles of Association.

Listed Shares will be eligible for clearing and settlement by a reputable settlement system, including Clearstream and/or Euroclear.

The Board of Directors does not expect that an active secondary market will develop in the listed Shares on the relevant stock exchange where such shares are listed. The listing and admission to trading on such stock exchanges does not constitute a warranty or representation by the stock exchange as to the competence of the service providers to or any other party connected with the Fund or the suitability of the Fund for investment or for any other purpose.

6.9 Prohibited Persons

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares, if in the opinion of the Board of Directors such ownership may (i) result in a breach of any provisions of the Articles of Association, the Prospectus or the laws or regulations of any jurisdiction, or (ii) require the Fund, the AIFM or the Investment Manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or in any other jurisdiction, (iii) result in material tax disadvantages or other material tax liabilities to the Fund or the relevant Sub-Fund (such as taxation of the Fund or the relevant Sub-Fund in a country other than Luxembourg) or (iv) result in Shares being issued to any person who is not an Eligible Investor (in each case, a "**Prohibited Person**").

The Board of Directors has decided that U.S. Persons will, subject to certain exceptions set out in section 15 (*Certain Regulatory Law Matters*) of this Prospectus, be considered as Prohibited Persons. By signing a Subscription Agreement, an applicant will certify, represent, warrant and agree that it is not a U.S. Person or that the Shares applied for are not being acquired directly or indirectly by, on

behalf or for the account or benefit of, a U.S. Person. An applicant will further certify, represent, warrant and agree that it will promptly notify the Fund or the Administrator (in any event, within thirty (30) days) in the event that it becomes a U.S. Person or holds the Shares on behalf of, or for the account or benefit of, a U.S. Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any Investor or prospective Investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or Investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such cases, the Fund will notify the Investor of the reasons which justify the compulsory redemption of Shares and the number of Shares to be redeemed. The redemption price shall be determined in accordance with section 6.4 (*Redemption of Shares*) of this Prospectus and the relevant Supplement.

The Fund may also grant a grace period to the Investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more Investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any Investor who fails to satisfy the Investor eligibility requirements for a Share Class into Shares of another Share Class available for such Investor.

The Fund reserves the right to require the Investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or Investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the Investor's other Shares, if any, in order to pay for such losses, costs or expenses.

6.10 Register of Beneficial Owners

In accordance with the RBE Law, the Fund is required to file certain information on the natural persons qualifying as the Fund’s beneficial owner(s) as defined in the 2004 Law with the Luxembourg register of beneficial owners. In this context, in case an Investor (or its direct or indirect Shareholder, as the case may be) is a natural person which qualifies individually or collectively as beneficial owners of the Fund within the meaning of the RBE Law, such Investor understands and acknowledges that the Fund will thus be legally required to provide certain information concerning such beneficial owner(s) to the Luxembourg register of beneficial owners and that some of the information as contained in the register of beneficial owners will be publicly accessible. Each Investor also understands and acknowledges that should it or its direct or indirect Shareholder, as the case may be, be a natural person which qualifies individually or collectively as beneficial owners of the Fund within the meaning of the RBE Law, it will be legally required thereunder to provide the necessary information in this context to the Fund.

Under the RBE Law, criminal sanctions may be imposed on the Fund in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial

owner(s) that fail to make all relevant necessary information available to the Fund. Any Shareholder that fails to comply with the Fund's information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the information or subject to disclosure of the information by the Fund to the Luxembourg national authorities and the Fund may, in its sole discretion, redeem the Shares of such Shareholders.

6.11 Prevention of money laundering and sanctions regimes

Pursuant to applicable international and Luxembourg laws and regulations implementing EU directives, obligations have been imposed on all professionals in the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorist financing purposes.

Measures aimed towards the prevention of money laundering, as provided by, without limitation, the 2004 Law, the Grand Ducal regulation of 1 February 2010 providing details on certain provisions of the 2004 Law and CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing and any further implementing regulations and circulars issued by competent authorities regarding the fight against money laundering and terrorist financing, adopted from time to time (collectively referred to as the "**AML Rules**") may require the Fund, on a risk based approach, to establish a detailed verification of a prospective Investor's identity (and of any person purporting to act on behalf of or for such subscriber is so authorises as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) on the basis of documents, data or information obtained from a reliable and independent source and, amongst others, to gather information on the origin of subscription proceeds and to monitor the business relationship on an ongoing basis. Pursuant to the law of 19 December 2020 on the implementation of restrictive measures in financial matters, the application of international financial sanctions must be enforced by any Luxembourg natural or legal person, as well as any other natural or legal person operating in or from the Luxembourg territory.

In this context, each prospective Investor will be requested to provide information and documentation in order to verify and evidence, among other things, such Investor's identity, the intended purpose of the business relationship and the source of funds and wealth used to subscribe for or purchase Shares and such Investor's tax residence. Requests for such information and documentation is made prior to the subscription for or purchase or issuance of Shares as well as at any time during which an Investor holds a Share.

Depending on the circumstances, simplified due diligence measures might be applicable in situations where the risk of money laundering or terrorist financing has been assessed as low in accordance with applicable AML Rules. In such case the due diligence measures may be adjusted in timing, amount or type of information to be received. In case of higher risk situations, enhanced due diligence measures will be applied to manage and mitigate those risks appropriately. In accordance with article 3-2 of the 2004 Law and article 3 of the CSSF Regulation No. 12-02, as amended by the CSSF Regulation No. 20-05, in the event that an Investor is subscribing into the Fund via an Intermediary ("acting on behalf of others") the Fund, the AIFM, the Investment Manager or the Administrator applies enhanced due diligence on the Intermediary in order to ensure that all obligations pursuant to the Luxembourg laws and regulations or at least equivalent laws and regulations are met.

Any information provided to the Fund, the AIFM, the Investment Manager, the Administrator and/or any Distributor in this context is collected for anti-money laundering, anti-terrorism financing, and sanctions regime compliance purposes but could also be used to satisfy compliance with other regulatory requirements (such as, without being limited to, FATCA or CRS legislation).

Investors will be required to notify to the Fund, the AIFM, the Investment Manager or the Administrator of any event or change having an impact on such information and documentation promptly upon becoming aware of such event or change.

In any case, the Fund, the AIFM, the Investment Manager or the Administrator, as the case may be, have the right to request additional information until being reasonably satisfied that it understands the identity and economic purpose of the subscriber and in order to being able to comply with the AML Rules. Furthermore, any Investor is required to notify the Fund or its delegate of any change of its information as set out in the Subscription Agreement and, as the case may be, prior to the occurrence of any change in the identity of any beneficial owner of Shares. In addition, the 2004 Law requires the Fund to conduct an ongoing monitoring of the business relationship with existing Investors which includes, inter alia, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations. In this context, the Fund may require from existing Investors, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with AML Rules.

Subscription for or transfer of Shares as well as the processing of orders may be delayed or rejected if the Investor does not provide the requested information or documentation or due to the content of information or documentation that the Investor has provided. No liability for any interest, costs or compensation will be accepted. Furthermore, in such case, the Fund, the AIFM, the Investment Manager or the Administrator, as the case may be, may take the measures that it considers to be appropriate, including but not limited to, the blocking of such shareholder's account until the receipt of the information and documents required. Any costs (including account maintenance costs) which are related to non-cooperation of such shareholder will be borne by the respective shareholder.

The Fund, the AIFM, the Investment Manager, the Depositary, the Administrator and/or any Distributor may be required to provide information, or report the failure to comply with such requests, to governmental authorities, in certain circumstances without notifying the Investor that the information has been provided.

6.12 **Sanctioned Investors**

(i) In the event that the Fund determines that an Investor is a Sanctioned Investor, the Fund may, without prior notice to such Sanctioned Investor or the other Investors, take such actions as it determines appropriate to comply with applicable Sanctions Laws and Regulations, other applicable laws and regulations and any contractual, reputational or other commercial considerations related thereto, including but not limited to procuring the compulsory redemption of the Shares of such Sanctioned Investor in the relevant Sub-Fund(s), freezing the account of a Sanctioned Investor, withholding consent to any transfer of all or any portion of the Sanctioned Investor's Shares, withholding amounts otherwise distributable to the Sanctioned Investor, segregating the assets in the Sanctioned Investor's account in compliance with applicable governmental regulations, reporting confidential information relating to the Sanctioned Investor (including, without limitation, disclosing the Sanctioned Investor's identity) to governmental or other regulatory authorities. In connection with taking any such actions and/or upon the lifting of any sanctions on a Sanctioned Investor, the Fund may make any adjustments as it determines appropriate. In addition, in the event that the Fund determines that an Investor is a Sanctioned Investor, such Investor may not participate

in investments made by the relevant Sub-Fund(s) while the applicable Investor is a Sanctioned Investor.

(ii) Each Investor that is not a Sanctioned Investor may be required to bear an increased amount of Operating Expenses in order to cover the amount attributable to Sanctioned Investors.

(i) In the event a Sanctioned Investor in a Sub-Fund following a drawdown model ceases to be subject to sanctions under any Sanctions Laws and Regulations, the Fund may require such Sanctioned Investor to make a Contribution to the relevant Sub-Fund (or the Fund may retain amounts otherwise distributable to such Sanctioned Investor) for the Management Fee and other Operating Expenses which would have been attributable to such Sanctioned Investor had such Sanctioned Investor not been subject to such sanctions, plus an additional amount, equal to simple interest, at a rate equal to 6% per annum, or such other rate as determined by the Fund, on the amount such Sanctioned Investor is required to contribute to the Fund under this section 6.12 for the period commencing from the dates that the amounts comprising the Contributions that would have been contributed to the Fund by the Sanctioned Investor if, during such period, it had not been a Sanctioned Investor (such additional amount shall not be treated as a Contribution or reduce the Undrawn Commitment of such Investor). The Fund may, in its sole discretion as to timing and amount, distribute any amounts received by the Fund in accordance with this section 6.12 (other than amounts received with respect to the Management Fee) to the other Investors in the relevant Sub-Fund that are not Sanctioned Investors pro rata in accordance with the amounts contributed by such other Investors under the terms of the relevant Sub-Fund Supplement.

(i) For the purposes of the giving effect to the provisions of this section 6.12, the Fund may procure the compulsory conversion of the Shares of the Sanctioned Investor into a Shares of a specific Share Class, which may be created for this purpose.

7. VALUATION AND NET ASSET CALCULATION

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Fund and the calculation and publication of the Net Asset Value can be performed.

The Net Asset Value per Share of any Share Class or Sub-Fund which is listed on the Luxembourg Stock Exchange or any other exchange will be notified to such exchange upon calculation.

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the AIFM's valuation policy, the Articles of Association, the relevant Supplement and is also described in this section of the Prospectus.

7.1 Calculation of the Net Asset Value

The Net Asset Value per Share shall be determined by the Administrator, under the responsibility of the AIFM and based on information made available by the Investment Manager, with the support of the Valuation Support Agent, where applicable, as of each Valuation Date, as specified for each Sub-Fund in the Supplement. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Date. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to the nearest 3rd decimal place.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Date according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Date in the Reference Currency of the Sub-Fund according to the valuation procedure described below.

The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is currently the equivalent in the Reference Currency of the Fund of 1,250,000 EUR, except during the first twelve (12) months following the authorisation of the Fund.

In the event of an error in the calculation of Net Asset Value and/or in the event of a non-compliance with the applicable Sub-Fund investment policy, the Fund and the AIFM shall follow the procedure set out in Circular 24/856 to correct such error and/or non-compliance and the AIFM shall determine together with the Board the tolerance threshold for each Sub-Fund accordingly.

7.2 Valuation Procedure

7.2.1 General

The assets and liabilities of the Fund will be valued in accordance with the AIFM's valuation policy, based on information made available by the Valuation Support Agent and the provisions outlined below.

The AIFM may apply, in accordance with generally accepted valuation principles and procedures, other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The AIFM may adjust the value of any asset if the AIFM determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions, marketability, dealing costs or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Date, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the AIFM may cancel the first valuation and carry out a second valuation in order to safeguard the interest of Investors.

The AIFM will be liable to the Fund for any losses suffered as a result of the AIFM's Disabling Conduct in relation to the performance of its valuation obligations in accordance with the AIFM Laws and Regulations and the AIFM Agreement. Without prejudice to the preceding sentence, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors, the AIFM, the Administrator or any agent appointed by them in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all Investors, and neither the Board of Directors, the AIFM, the Administrator or any agent appointed by them shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in accordance with the Articles of Association and the Prospectus, in the absence of Disabling Conduct.

Under certain circumstances, the AIFM may engage third-party price providers, valuation experts or appraisers, subject to the Fund’s approval. In such a case, the relevant costs and expenses of these services shall be charged to the relevant Sub-Fund. In particular, where applicable for a Sub-Fund, the Investment Manager and/or the Valuation Support Agent will provide assistance and support to the AIFM in the performance of its valuation function in respect of the Sub-Fund’s unlisted or otherwise illiquid assets for which valuations are not publicly available.

7.2.2 **Assets of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

(i) all cash on hand or on deposit, including any outstanding accrued interest;

(ii) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;

(iii) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;

(iv) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);

(v) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;

(vi) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and

(vii) all other assets of any kind and nature including expenses paid in advance.

7.2.3 **Liabilities of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

(i) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);

(ii) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;

(iii) a provision for any tax accrued to the Valuation Date and any other provisions authorised or approved by the Fund; and

(iv) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 7.4 (*Fees and Expenses*) of this Prospectus.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

7.2.4 **Valuation principles**

In accordance with the Articles of Association and the AIFM's valuation policy and subject to any further provisions in the relevant Supplement, the valuation of the assets of the Fund will be conducted as follows:

(i) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends, and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.

(ii) Securities and instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs (iii) and (vii) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or

regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation.

(iii) Securities and instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their fair value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM. Investments in private equity securities will be valued at fair value under the direction of the AIFM in accordance with appropriate professional standards, such as, without limitation, the International Private Equity and Venture Capital Valuation (IPEV) Guidelines as endorsed by Invest Europe, as may be further specified in the relevant Supplement. In respect of loans and other debt instruments, this may include, where determined to be appropriate by the AIFM, a valuation at cost plus accrued interest and/or accreted original issue discount less impairments.

(iv) Investments in real estate assets shall be valued with the assistance of one or several independent appraiser(s) designated by or with the approval of the AIFM for the purpose of appraising, where relevant, the fair value of a property investment in accordance with the AIFM Laws and Regulations and applicable industry standards, as may be further specified in the relevant Supplement, for which the Fund may engage a valuation consultant to assist in the setup of the valuation management process.

(v) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

(vi) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the AIFM which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

(vii) Notwithstanding paragraph (ii) above, shares or units in target investment funds will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the AIFM is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis

of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Date, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph (ii) above.

(viii) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

(ix) Any value expressed otherwise than in the Reference Currency of the Fund (whether of any investment or cash) and any non-Reference Currency borrowing shall be converted into the Reference Currency at the rate (whether official or otherwise) which the AIFM or the Administrator shall determine to be appropriate in the circumstances.

7.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below.

(i) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 6.1 (*Shares, Sub-Funds and Share Classes*) of this Prospectus).

(ii) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.

(iii) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to Investors generally and will normally be allocated to all Sub-Funds or Share Classes *pro rata* to their Net Asset Value.

Assets and liabilities of a Sub-Fund may further be allocated to each Share Class of that Sub-Fund in accordance with the provisions of the relevant Supplement.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

7.3 Temporary suspension of the Net Asset Value calculation

The Board of Directors, upon consultation with the AIFM, may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases and as may be further outlined in the relevant Supplement:

(i) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;

(ii) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;

(iii) during any period when any breakdown, cyberattack or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;

(iv) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;

(v) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;

(vi) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;

(vii) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;

(viii) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a master fund in which a Sub-Fund invests as a feeder fund;

(ix) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of Investors;

(x) in the event of a notice to Shareholders of the Fund convening an extraordinary General Meeting of the Fund for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;

(xi) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;

(xii) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and

(xiii) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of Investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of Investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to Investors as required by applicable laws and regulations.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Valuation Date following the end of the suspension period unless the Investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund or the Administrator before the end of the suspension period.

The suspension measures provided for in this section may be limited to one or more Sub-Funds or to one or more Share Classes.

7.4 **Publication of the Net Asset Value**

The publication of the Net Asset Values will take place according to the timing indicated in each Supplement. The Net Asset Value per Share of each Share Class within the Sub-Fund will be available from the Administrator during normal business hours.

8. DISTRIBUTION POLICY

Any distributions of a given Sub-Fund's cash proceeds or the cash proceeds allocable to a given Share Class in a given Sub-Fund, either during the life of such Sub-Fund or Share Class, or prior to or upon its liquidation, will be made at the sole discretion of the Board of Directors or as otherwise set out in the relevant Supplement. Except in connection with a liquidation, a Sub-Fund will not distribute cash proceeds if as a result thereof the value of the Fund's capital would fall below EUR 1,250,000 (one million two hundred and fifty thousand Euro) or its equivalent in another currency.

The Board of Directors will determine, in its sole discretion, the timing and amounts of any distributions from each Sub-Fund to the Investors, subject to the terms of the relevant Supplement. Any proceeds from investments and all other items of income of the relevant Sub-Fund will be distributed to Investors in accordance with their respective number of Shares.

Unless otherwise specified in the relevant Supplement, the Board of Directors (or its delegate) may, in lieu of distribution of any distributable proceeds as dividends, resolve to redeem Shares on a pro rata basis within each Share Class and within the limits of such distributable proceeds, each time at the last available Net Asset Value per Share or as otherwise decided by the Board of Directors.

The Board of Directors will generally declare distributions for all Investors of the same Share Class. Notwithstanding the foregoing, the Board of Directors, in its reasonable discretion, may withhold from any distribution of cash or property in kind to any Investor amounts due by such Investor to the Fund under the Articles of Association or this Prospectus.

The Board of Directors (or its delegate) may modify the Fund's, or one (1) or more Sub-Funds', distribution policy from time to time, subject to compliance with any applicable law or regulations (including tax rules).

Any dividend on Shares which remains unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and will be paid into the assets of the relevant Sub-Fund and revert to the relevant Share Class or designation or shall revert to the Sub-Fund in default, as the case may be.

Any distributions payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account of record on the initial Subscription Agreement at the expense of the payee and will be paid as soon as reasonably practicable after the date the Board of Directors declared the dividend.

Distributions will be made in the Reference Currency of the relevant Share Class. To the extent necessary in order to pay distributions or other required payments in connection with any Share Class that is denominated in a currency other than the Reference Currency of the relevant Sub-Fund in the Reference Currency of such Share Class, a currency conversion will take place at prevailing exchange rates. In the case of Share Classes with a Reference Currency that is not freely convertible, distributions and other required payments may be paid in a freely convertible currency if the Reference Currency of the Share Class is not available. The rate of exchange used to perform such currency conversion shall be that prevailing at the time of conversion and available to the Fund and the expenses of such conversion shall be borne by the Shareholder.

The Board of Directors may deduct from any dividend or other money payable to any Shareholder on or in respect of a Share all sums of money (if any) presently payable by such Shareholder to the Fund in relation to the Shares of a Sub-Fund.

In addition, the Board of Directors may cause the Fund to withhold or deduct from any distribution or dividend to be paid to a Shareholder any amount for or on account of any taxes (including any related penalties and interest) and any amount imposed or required to be withheld by applicable law of any jurisdiction, by agreement with any government division or department or taxation authority or by any applicable intergovernmental agreement or implementing legislation or otherwise or, where no payment is due to be made, to appropriate or cancel the number of Shares required to meet any such obligation to withhold or deduct.

9. FEES AND EXPENSES

9.1 Organisational and Offering Expenses

The Fund shall bear its organisational and offering expenses, including all costs and expenses attributable to the structuring, formation and establishment of and with the marketing, offering and sale of Shares to investors, or in relation to, the Fund or a Sub-Fund, including but not limited to costs for legal and tax advisors, the costs of preparing, printing and negotiating the Prospectus, the Articles of Association, the Subscription Agreements and any ancillary documents and agreements relating to the offering of and subscription for Shares, any agreements with service providers of the Fund notary fees, legal and other advisory fees, pre-marketing and marketing costs and costs for filing documents with any regulatory authorities, costs or expenses incurred in connection with the onboarding of the AIFM, the Administrator, the Depositary and any other fund service providers of the Fund or a Sub-Fund, including, for the avoidance of doubt, such duly documented costs and expenses which were paid by the AIFM or its Affiliates, prior to actual formation and existence of the Fund or a Sub-Fund and which shall be reimbursed to the AIFM or its Affiliates ("**Organisational and Offering Expenses**").

The Organisational and Offering Expenses incurred in connection with the formation of the Fund will be borne by the Fund and, subject to, and in accordance with, the Luxembourg generally accepted accounting principles ("**Luxembourg GAAP**") as applicable from time to time, may be amortised over a period of up to five (5) years, as from one (1) year after the launching of the Fund. The Organisational and Offering Expenses of each new Sub-Fund will be borne by such Sub-Fund and, subject to, and in accordance with, Luxembourg GAAP as applicable from time to time, may be amortised over a period of up to five (5) years, as from one (1) year after the launching of the Sub-Fund. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of Organisational and Offering Expenses of the Fund, subject to the above.

9.2 Management Fee

The Investment Manager (or, if the relevant Supplement so determines, the AIFM) will be entitled to receive out of the assets of a Sub-Fund an annual management fee in respect of each Share Class, calculated and payable as detailed in each Supplement (the "**Management Fee**"). The Investment Manager (or, if the relevant Supplement so determines, the AIFM) will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

9.3 Carried Interest, Incentive Allocation and Performance Fees

In addition to the Management Fee, a Sub-Fund may operate carried interest arrangements (the "**Carried Interest**") and/or incentive allocations (the "**Incentive Allocation**") out of the assets of a Sub-Fund for the benefit of certain Share Classes and/or the Investment Manager may be entitled to receive a performance fee out of the assets of a Sub-Fund in respect of certain Share Classes (the "**Performance Fee**"), in each case, calculated and payable as detailed in each Supplement.

9.4 AIFM Fee

The AIFM will be entitled to an annual management fee, the terms and conditions of which shall be set forth in this Prospectus and/or the relevant Supplement and the AIFM Agreement (the "**AIFM Fee**"). These fees shall be borne by each Sub-Fund and shall be included in the Annual Report of the Fund. The AIFM will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Unless otherwise stated in the relevant Supplement, the holders of

Class S Shares, or any other Share Class that is solely available to Shareholders who are Morgan Stanley entities, shall not be liable for any AIFM Fee.

9.5 Distribution Fee

The Global Distributor or a Sub-Distributor may be entitled to receive a distribution fee (the "**Distribution Fee**"), the terms and conditions as well as the maximum amount of which shall be set forth in respect of each Sub-Fund in the relevant Supplement.

9.6 Depositary Fee

The Depositary will be entitled to an annual fee equal to a percentage of the Net Asset Value of the Sub-Fund or Share Class consistent with market practice in Luxembourg (the "**Depositary Fee**"). These fees shall be borne by each Sub-Fund and shall be included in the Annual Report of the Fund. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by the Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of the Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Fund.

9.7 Administration Fee

The Administrator will be entitled to an annual fixed fee and variable fee, to the extent applicable, consistent with market practice in Luxembourg (the "**Administration Fee**"). These fees shall be borne by each Sub-Fund and shall be included in the Annual Report of the Fund. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Administrator in consideration of ancillary services rendered to the Fund.

9.8 Operating Expenses

Unless otherwise provided in each Supplement and without prejudice to the further provisions of any Supplement, each Sub-Fund shall pay all operational costs and expenses incurred for its own account ("**Operating Expenses**"), including:

(i) fees, costs and expenses related to identifying, sourcing, evaluating, valuing, purchasing (or potentially purchasing), holding, servicing and disposing (or potentially disposing) of investments (such as retainers and success fees and other compensation paid to sourcing and operating partners and deal initiation expenses), including custodial expenses and other investment costs incurred in connection with investments;

(ii) fees, costs and expenses incurred in connection with drafting, amendments, modifications, revisions, restatements or other modifications to the Fund's and/or the relevant Sub-Fund's books and records as well as other corporate documents, agreements and papers of the Fund and/or the relevant Sub-Fund, including compliance with any such other corporate documents, agreements and papers;

(iii) accounting and reporting fees and expenses, expenses incurred in connection with the drafting and delivery of the financial statements, performance reports and other information and/or communications in respect of the Fund and/or relevant Sub-Fund, auditing fees, bank

charges, legal fees, representation and publicity expenses, and other direct out-of-pocket costs; fees and expenses charged to the Fund and a given Sub-Fund by lawyers, auditors, accountants, brokers, finders and other professional advisors;

(iv) research expenses, data fees and other information technology expenses;

(v) any third-party recurring expenses associated with procuring, developing, aggregating, implementing, auditing or maintaining market data, investment data, asset data, environmental and/or energy data and information technology (including any fees, costs and expenses for vendor services, licensing fees, maintenance costs, data services, data subscription, computer software, license-based or other technology related services and research publications used in connection with the Fund's activities (including reporting as described herein)), and including with respect of this clause (v), technology and other administrative support therefor;

(vi) fees, costs and expenses of publications and all other administrative secretarial services with respect to the Fund and the investors;

(vii) fees, costs and expenses associated with the holding or operation of General Meetings, meetings between representatives of Morgan Stanley and one or more Investors and any other meetings of the Fund or a relevant Sub-Fund, including any costs in relation to the preparation of such meetings (including travel and accommodation costs), drafting of related paperwork and holding thereof and any reasonable out-of-pocket expenses and with respect to representatives of Morgan Stanley, travel costs, accommodation, meal, event, reasonable entertainment and other similar fees, costs and expenses in attending the annual meetings and meetings with one or more Investors;

(viii) managerial fees and operational expenses attributable to investments of each Sub-Fund, including, but not limited to, performance fees and Carried Interest for the managers of underlying funds, if any;

(ix) marketing (including paying and information agents), printing, mailing and registration costs;

(x) fees, costs and expenses incurred in respect of aborted transactions and all broken-deal and other out of pocket expenses incurred in connection with potential investments, whether or not consummated (including legal, accounting, due diligence, travel, advisory, financing, business development, consulting and any other fees, costs, and expenses in connection with unconsummated transactions, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and lodging);

(xi) fees, costs and expenses related to a default by a Defaulting Investor, a transfer of interests (and admission of a substitute Investor) or a permitted withdrawal of an Investor (but, in each case, only to the extent not paid or otherwise borne by the Defaulting Investor, the transferring Investor and/or the assignee or the withdrawing Investor, as applicable);

(xii) fees, costs and expenses for the appraisal and/or valuation of the Fund's assets and liabilities;

(xiii) fees, costs and expenses incurred in effecting any distributions to investors or redemptions of Shares (other than any withholding or other tax payable by individual investors, which shall

be borne or paid by such Investor) and out-of-pocket expenses incurred in connection with the collection of amounts due to the Fund and/or Sub-Fund from any person;

(xiv) bank and borrowing costs, expenses and charges, including any principal, interest, insurance premiums, costs of preparation and delivery to the Investors of checks or wires, fees and other similar amounts with respect to any indebtedness, including any interest to be paid under any subscription facility, any costs of or related to credit support in respect of indebtedness (such as pledge, mortgage, lien, charge), any structuring or stand-by fees, and any other fee to be paid in connection with indebtedness (including fees, costs and expenses incurred in connection with the negotiation and establishment of the relevant subscription facility, credit facility, credit support or other relevant arrangements with respect to such indebtedness and/or credit support) and fees, costs and expenses associated with obtaining or maintaining ratings, in each case, to the extent permitted for a Sub-Fund in a Supplement;

(xv) fees, costs and expenses incurred in implementing hedging strategies and any other amounts attributable to such hedging arrangements (including any amounts necessary to satisfy margin requirements);

(xvi) fees, costs and expenses of any listing application, if any, as well as the costs incurred with the ongoing listing of any of the Shares of the Fund or any Sub-Fund thereof;

(xvii) the remuneration of and out of pocket expenses incurred by the members of the Board of Directors, in their capacity as such, if any, including, but not limited to, directors fees and premiums for insurance policies, costs incurred in relation to meetings or resolutions of the Board of Directors, investors or shareholders, the costs of reasonable travel, accommodation and out-of-pocket expenses incurred by the members of the Board of Directors for services to be rendered to the Fund;

(xviii) fees and expenses of professionals, including accountants, counsel and consultants;

(xix) fees, costs and expenses incurred by Morgan Stanley, the AIFM, the Investment Manager or any of their respective Affiliates for services rendered on an arms' length basis in connection with the administration of the Fund and other services, that, if provided by a third party, would constitute Operating Expenses;

(xx) the AIFM Fees, the Depositary Fees, the Administration Fees, the Distribution Fee, the Management Fees (and any performance fee), the fees of the Auditor, the Valuation Support Agent and other agents (including any paying agent) and third-party consultants, local agents, advisors and service providers appointed by the Fund and/or the AIFM in respect of the Fund and/or the relevant Sub-Fund (including, costs and expenses incurred in connection with obtaining legal, custodial, administration, auditing, accounting, tax advisory, platform distribution and advisory, regulatory and compliance advice and services (including the fees of professionals working in these areas), including expenses associated with the preparation of financial statements, audits, tax returns) as well as reasonable out-of-pocket expenses, insurance coverage and travelling and related costs in connection with the management of the Fund and/or the relevant Sub-Fund, subject to the Fund's approval, incurred by the same for services to be rendered in favour of the Fund and/or the relevant Sub-Fund, in accordance with the terms of the applicable service agreements;

(xxi) the insurance costs, premiums and fees (including brokerage fees, insurance advisory services, commissions and insurance premiums relating to any fidelity bond and insurance

policies of all types (including directors' and officers' liability insurance and errors and omissions insurance) or such other insurance relating to the affairs of the Fund, including potential tax or warranty insurance, incurred on behalf of the Fund or the AIFM acting in respect of the Fund of reasonable insurance on behalf of Fund, the AIFM or the relevant Investment Manager acting in respect of a Sub-Fund (including third-party liability, political risks, transfer risks, commercial risks, including directors' and officers' liability, errors and omissions and any other insurance for coverage of liabilities incurred in connection with the activities of, or on behalf of, such Sub-Fund or the AIFM acting in respect of the Fund) and their directors, officers and employees, if applicable, other than insurance against such acts for which the relevant person would not be entitled to indemnification under this Prospectus and/or the relevant agreements entered into by the AIFM or the Investment Manager in respect of a Sub-Fund);

(xxii) fees, costs and expenses incurred in connection with any litigation, arbitration or other proceedings in relation to the Fund or the Sub-Funds (including the amount of any judgments, remediation, fines, damages or settlements paid in connection therewith, expenses incurred in connection with the investigation, prosecution, defence, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of the Fund or the Sub-Funds);

(xxiii) fees, costs and expenses in connection with any government and regulatory filings, including expenses incurred in connection with the registration, qualification, or exemption of the Fund under any applicable laws; the audits, reports, disclosures, filings and notifications of the Fund prepared in accordance with the AIFMD or UK AIFMD; and disclosures, reports, filings and notifications of the Fund required under the SFDR and the EU Taxonomy Regulation;

(xxiv) fees, costs and expenses of ESG consultants, data providers or other similar service providers as required for compliance with any disclosures, reports, filings and notifications in relation to the Fund required under the SFDR and the EU Taxonomy Regulation;

(xxv) fees, costs and expenses in connection with legal, tax and regulatory compliance obligations (whether such compliance obligations are imposed on the Fund, any Sub-Fund, the AIFM, the Investment Manager or their respective affiliates), including, without limitation, any costs, fees and other expenses incurred in connection with compliance with the applicable anti-money laundering and counter-terrorist financing rules, any costs, fees and other expenses incurred in connection with the preparation and filing of Form PF, filings under the U.S. Securities Exchange Act of 1934, as amended, reports, disclosures, filings, marketing registrations and notifications prepared in accordance with applicable laws, including, but not limited to, the AIFMD and the UK AIFMD, the Swiss Collective Investment Schemes Act as may be amended, supplemented or replaced ("**CISA**"), rules and regulations promulgated by the UK Financial Conduct Authority (the "**FCA**"), together with the engagement of any related Fund agents, representatives or depositaries in connection with compliance obligations under applicable laws, including, but not limited to, the AIFMD, the UK AIFMD, CISA, the FCA rules and regulations, the organisation or maintenance of any entity, other than the AIFM, used in connection with compliance with the AIFMD and/or the UK AIFMD by the Fund and/or any Sub-Fund as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, fees, costs and expenses of legal counsel to such entity incurred in connection with the foregoing legal, tax and regulatory compliance obligations, TIC Form SLT filings, IRS, state, local or non-U.S. filings under a Tax Reporting Regime or ATAD and FBAR reporting requirements applicable to the Fund and/or any Sub-Fund, compliance with any comparable

legislation or regulations published by any other relevant jurisdiction, CFTC Form 4.13(a)(3), any CFTC No-Action Letters, CPO-PQR, CTA PR and NFA Form PQR filings and any other forms, schedules or other filings with governmental and self-regulatory agencies directly related to the making, holding or disposing of investments by the Fund and/or any Sub-Fund, together with all other fees, costs and expenses in relation to maintaining or compliance with the tax, regulatory or legal status of the Fund and/or any Sub-Fund;

(xxvi) any goods and services or other similar taxes to the extent that the Fund is required by applicable law to pay, withhold or deduct such amounts from any payment of the AIFM Fee;

(xxvii) brokerage fees, transaction fees, account fees, listing fees and expenses, taxes and costs connected with the transactions of securities or cash;

(xxviii) costs due to negative interest rates or charges;

(xxix) costs related to the use of index names, in particular license fees;

(xxx) any taxes (and any interest, penalties or expenses relating to any such taxes), fees or other governmental charges, including any taxes imposed on the Fund and/or any Sub-Fund or any investment vehicle in their respective capacity of withholding agent or in connection with any tax audit, investigation, settlement or review of the Fund, such Sub-Fund or such investment vehicle (and any interest, penalties or expenses relating to any such taxes), any fees, costs and expenses of preparing and filing tax returns on behalf of the Fund, such Sub-Fund or such investment vehicle in any jurisdiction in which the Fund, such Sub-Fund or such investment vehicle (as applicable) is required or deems it advisable to file tax returns or information with the applicable tax authorities, and any fees, costs and expenses incurred in connection with any tax audit, examination, investigation, proceeding, settlement or review of the Fund, such Sub-Fund, such investment vehicle and/or any related entity and any governmental inquiry, investigation or proceeding, including expenses of any actions deemed advisable by the Investment Manager or the AIFM as a result of the BEPS Action Plan or the implementation of ATAD, but not including any tax amount relating to a particular Investor or Investors;

(xxxi) costs of translations and legal publications, and the costs of official deeds and any legal costs relating thereto;

(xxxii) fees, costs and expenses incurred in connection with legal proceedings or other disputes involving the Fund, the AIFM and the Investment Manager (along with any delegates thereof) acting in respect of the Fund, any governmental inquiry, investigation, audit, proceeding or any litigation involving the Fund or the AIFM acting in respect of the Fund;

(xxxiii) fees, costs and expenses relating to the transfer of Shares, compulsory redemption or a withdrawal of an Investor (to the extent not paid or otherwise borne by such Investor);

(xxxiv) any fees, costs and expenses required under or otherwise related to the Fund's indemnification obligations under this Prospectus and/or the relevant agreements entered into by or on behalf of the Fund and Claims and Expenses and any other indemnity, contribution, or reimbursement obligations of the Fund with respect to any person, whether payable in connection with a proceeding involving the Fund or the AIFM acting in respect of the Fund;

(xxxv) fees, costs and expenses related to the organisation and maintenance of any entity used to acquire, hold or dispose of investments or otherwise facilitating the Fund's investment activities, including, without limitation, independent director fees, corporate secretary fees, audit, tax advice, tax filing and legal advice fees, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including any personnel of Morgan Stanley or any of its Affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, other overhead expenses in connection therewith, costs associated with establishing a permanent residence in certain jurisdictions (such as rent for office space and employee compensation), or any other fees, costs and expenses described as Operating Expenses that are applicable to such entity;

(xxxvi) other extraordinary expenses, including the Fund's share of Morgan Stanley's expenses (including salaries) incurred in connection with providing for the administration of the Fund; and

(xxxvii) expenses incurred in connection with the termination, winding up and liquidation of the Fund or a relevant Sub-Fund (including, for the avoidance of doubt, any fees, costs and expenses of any appointed liquidator).

9.9 Subscription Fee and Redemption Fee

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the relevant Supplement, where applicable. Any Subscription Fee or Redemption Fees applied will be for the benefit of the relevant Sub-Fund.

Banks and other financial Intermediaries appointed by or acting on behalf of the Shareholders, where applicable, may charge administration and/or other fees or commissions to the Shareholders pursuant to arrangements between those banks or other financial Intermediaries and the Shareholders. The Fund has no control over such arrangements.

9.10 General provisions

All fees, costs and expenses referred to in this Prospectus are exclusive of any VAT, if applicable. As a result, where VAT applies, this may lead to an increase of the fees, costs and expenses to be covered by the Fund.

The expenses attributable to an individual Sub-Fund are allocated directly to such Sub-Fund in accordance with the relevant Supplement. The costs and expenses relating to the Fund and not to an individual Sub-Fund shall be divided among the Sub-Funds pro rata to the respective Total Commitments or Net Asset Value of such Sub-Funds, as determined by the AIFM, the Investment Manager or as deemed appropriate by the Board or Directors.

9.11 Cost disclosure under the ELTIF Regulation

For each ELTIF Sub-Fund, the applicable cost disclosure required under the ELTIF Regulation will be included in the relevant Supplement.

10. UNITED STATES TAX CONSIDERATIONS

This summary discusses certain U.S. federal income tax considerations relating to an investment in the Fund. This summary is based on current law, which is subject to change. This discussion is necessarily general and may not apply to all categories of Shareholders, some of which, such as banks, thrifts, insurance companies, dealers and other investors that do not own their Shares as capital assets, may be subject to special rules. The Fund has not sought a ruling from the IRS or any other U.S. federal, state, local or non-U.S. taxing authority with respect to any of the tax issues affecting the Fund. No assurance can be given that such taxing authorities will concur with the discussion herein of the tax consequences of investing in the Fund. This discussion is general in nature and does not address all of the material tax consequences (including U.S. federal income tax consequences) to Shareholders of an investment in the Fund. Each prospective Shareholder is advised to consult its own tax counsel as to the U.S. federal income tax consequences of an investment in the Fund and as to applicable U.S. state and local and non-U.S. taxes. Additional special considerations may apply to prospective Shareholders who are not U.S. persons or entities, and such Shareholders are advised to consult their tax advisers with regard to the U.S. federal, state, and local, and non-U.S. tax consequences of an investment in the Fund. In addition, this discussion does not address the application of the alternative minimum tax. U.S. tax-exempt organisations and Non-U.S. Investors (as defined below) are discussed separately below. The actual tax consequences of the purchase and ownership of Shares in the Fund will vary depending upon the Shareholder's circumstances. If a partnership holds Shares, the tax treatment of a partner will generally depend upon the status of the partner in the partnership and the activities of the partnership. Partners of a partnership holding Shares in the Fund should consult their own tax advisors. This discussion does not constitute tax advice and is not intended to substitute for tax planning.

For purposes of this discussion, a "**U.S. Investor**" is an individual who is a citizen or resident of the United States, as determined for U.S. federal income tax purposes, a corporation or an entity treated as a corporation for such purposes that is created or organised in or under the laws of the United States, any state thereof or the District of Columbia, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (1) it is subject to the primary supervision of a court within the United States and one or more U.S. Investors have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. Investor. A "**Non-U.S. Investor**" is a person that is not a U.S. Investor and that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust. A "**U.S. Tax-Exempt Investor**" is a U.S. Investor that is generally exempt from U.S. federal income tax under Section 501(a) of the Code.

EACH PROSPECTIVE SHAREHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF SHARES IN THE FUND.

10.1 U.S. Federal Income Tax Classification of the Fund and each Sub-Fund

Each Sub-Fund is expected to be treated as an association taxable as a corporation for U.S. federal income tax purposes that is not engaged in the conduct of a U.S. trade or business. If, contrary to expectations, a Sub-Fund was treated as engaged in a U.S. trade or business, such Sub-Fund, but not the Shareholders in such Sub-Fund, would be subject to tax at the applicable corporate rates (currently 21%) on income that is effectively connected with such trade or business and will also be subject to a 30% "branch profits" tax on earnings that are withdrawn from the U.S. trade or business. Shareholders should be aware that, in such a case, applicable state and local taxes would likely apply as well. Shareholders should also be aware that if the Fund was treated as a single corporation for

U.S. federal income tax purposes, it is possible that different U.S. federal income tax consequences could apply to an investment in the Fund.

Certain categories of income (including dividends and certain types of interest income) derived by the Sub-Funds from U.S. sources will be subject to U.S. withholding tax at a 30% rate. Certain other categories of income, generally including interest on certain portfolio debt obligations (which may include U.S. government securities), capital gains (including those derived from options transactions), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30% withholding tax.

In the event that a Sub-Fund is directly or indirectly subject to U.S. federal income or withholding tax, each Shareholder should expect that the Net Asset Value per Share with respect to such Sub-Fund will be reduced on account of such tax.

10.2 U.S. Federal Income Tax Treatment of the Shareholders

Taxation of Non-U.S. Shareholders

It is expected that, for so long as Investments are made through the Sub-Funds, a Non-U.S. Shareholder's income and capital gain derived from its investment in the Fund or indirect investment in each Sub- Fund will not be treated as income effectively connected with a U.S. trade or business. Accordingly, Non-U.S. Shareholders generally will not be directly subject to U.S. federal income tax on distributions by the Fund or on gains recognised on the sale or exchange of an interest, or to U.S. tax filing obligations, unless (i) such income is effectively connected with such Non-U.S. Shareholder's separate conduct of a trade or business in the United States, or (ii) in the case of gain, the Non-U.S. Shareholder is a non-resident alien individual who holds the interest as a capital asset and is present in the United States for more than 182 days in the taxable year of the disposition and certain other conditions are satisfied.

Taxation of U.S. Shareholders - General

Tax Rates. Currently, for non-corporate U.S. taxpayers, the maximum U.S. federal ordinary income tax rate is 37% and, in general, the maximum U.S. federal income tax rate with respect to long-term capital gains and "qualified dividend income" is 20%. The long-term capital gains rate generally applies with respect to assets held for more than one year; otherwise the ordinary income tax rate applies. "Qualified dividend income" generally includes dividend income received from most U.S. corporations and certain non-U.S. corporations (generally, non-U.S. corporations (other than PFICs, as defined below) incorporated in countries that have a comprehensive income tax treaty with the United States or the stock of which is readily tradable on an established securities market in the United States), provided that certain holding period requirements are met. For corporate taxpayers, currently the U.S. federal income tax rate is 21%.

Investments in Non-U.S. Corporations. Because each Sub-Fund is expected to be treated as a non-U.S. corporation for U.S. federal income tax purposes, U.S. Shareholders should expect that each Sub-Fund will be treated as a “passive foreign investment company” (a “**PFIC**”) and, though not expected, may be treated as a “controlled foreign corporation” (a “**CFC**”). In addition, an investment by the Sub-Fund in or through an investment vehicle or other entity that is treated as a corporation for U.S. federal income tax purposes (if any) may give rise to additional tax issues under the PFIC and/or CFC rules.

With respect to the PFIC rules, there are no minimum stock ownership requirements for the PFIC rules to apply. Once a corporation qualifies as a PFIC it is, subject to certain exceptions, always treated as a PFIC, regardless of whether it satisfies either of the qualification tests in subsequent years. Under the PFIC rules, any gain on disposition of stock of the PFIC, as well as income realised on certain "excess distributions" by the PFIC, would be treated as though realised rateably over the shorter of a U.S. Shareholder's holding period of its Shares. Such gain or income would be taxed as ordinary income. In addition, an interest charge would be imposed on the U.S. Investor on the tax deferred from prior years. In lieu of the foregoing treatment, a U.S. Shareholder may make an election to treat the PFIC as a "qualified electing fund" with respect to such Shareholder (a "**QEF election**"). Such U.S. Shareholder would then be required to include in income each year a portion of the ordinary earnings and net capital gains of the qualified electing fund, even if not distributed to the Shareholders. To make a QEF election, the applicable U.S. Shareholder would, among other things, be required to supply the IRS with an information statement provided by the PFIC. There can be no assurance that the Fund will provide the information necessary to enable any U.S. Investor to make a QEF election or otherwise comply with the PFIC regime.

The application of the PFIC and CFC rules is very complex and uncertain in many respects. Each U.S. Shareholder is urged to consult with its own tax advisers with respect to the application of the PFIC and CFC rules to such U.S. Shareholder.

Certain Reporting Requirements. U.S. Shareholders may be required to make various U.S. tax filings with respect to their investments in the Fund , including as a result of investing directly or indirectly in non-U.S. entities (e.g., on an IRS Form 926, or, in certain circumstances, IRS Form 8621). Significant penalties are imposed for failure to file such forms. Each U.S. Shareholder should consult its own tax advisers regarding such reporting requirements.

Taxation of U.S. Tax-Exempt Investors

Due to the treatment of each Sub-Fund as a corporation for U.S. federal income tax purposes, an investment in the Fund is not expected to cause a U.S. Tax-Exempt Investor to recognise an unrelated trade or business income to the extent that such U.S. Tax-Exempt Investor's purchase of Shares in the Fund was not debt-financed.

11. LUXEMBOURG TAX CONSIDERATIONS

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. It does not purport to be a complete analysis of all possible tax situations that may be relevant to an investment decision. In particular, it does not purport to analyse the tax treatment inside or outside Luxembourg of any intermediary holding vehicle through which the Fund and/or the Sub-Fund may invest into underlying assets going forward. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. Shareholders should inform themselves of, and when appropriate, consult their professional advisors with regard to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

Shareholders should be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in this section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) and personal income tax (*impôt sur le revenu des personnes physiques*). Corporate Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

11.1 The Fund

Income and net wealth taxes

Under current Luxembourg law and practice, the Fund is not liable to any Luxembourg corporate income tax and municipal business tax (including the solidarity surcharge) or net wealth tax (including the minimum net wealth tax) in Luxembourg.

Subscription tax

The Fund is subject in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum*, such tax being payable quarterly and calculated on the aggregate net assets of the Fund valued at the end of the relevant calendar quarter.

A reduced tax rate of 0.01% *per annum* will be applicable, *inter alia*, to Sub-Funds or Share Classes reserved to one or more Institutional Investors.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of a UCI or of a Sub-Funds of a UCI with multiple Sub-Funds that are invested in sustainable economic activities (as defined in Article 3 of the EU Taxonomy Regulation).

Other exemptions from subscription tax may apply, including, *inter alia*, to the value of the assets of a Sub-Fund represented by units held in other UCIs, provided that such units have already been subject to the subscription tax provided for by Article 174 of the 2010 Law, Article 68 of the amended law of 13 February 2007 on specialised investment funds, or Article 46 of the amended law of 23 July 2016 on reserved alternative investment funds.

Withholding tax

Under current Luxembourg tax law, there is no withholding tax on distributions, liquidation proceeds and redemption payments made by the Fund to the Shareholders.

However, the Fund may be subject to withholding tax on dividends and interest payments and to tax on capital gains in the country of origin of its investments. As the Fund itself is not subject to Luxembourg corporate income tax, withholding tax levied at source, if any, would normally be a final cost.

Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Fund.

VAT

The Fund is considered in Luxembourg as a taxable person for value added tax ("**VAT**") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased outside Luxembourg. No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

Other Luxembourg taxes

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Fund except a fixed registration duty of EUR 75.- which is paid upon incorporation of the Fund and any amendments to the Articles of Association.

11.2 **Shareholders**

It is expected that Shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, except as set-out below, no attempt is made in this Prospectus to summarise the taxation consequences for each Shareholder subscribing for, converting, holding or redeeming or otherwise acquiring or disposing of Shares of the Fund. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Shareholders that are residents or citizens of certain countries which have a tax legislation affecting foreign funds may have a current liability to tax on undistributed income and gains of the Fund. Shareholders should consult their own professional advisors as to the particular consequences of

subscribing for, purchasing, owning and disposing of Shares, including the application and effect of any federal, state or local taxes under the tax laws of Luxembourg and their countries of citizenship, residence, domicile or incorporation.

11.2.1 **Tax residency**

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance, delivery and/or enforcement of his/her/its rights and obligations thereunder.

11.2.2 **Luxembourg Income tax - Luxembourg residents**

Luxembourg resident individuals

Any dividends and other payments derived from the Shares by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rates.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of less than six (6) months after the acquisition thereof, or if their disposal precedes their acquisition. A participation is considered to be substantial if (i) the Shareholder holds or has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five (5) years preceding the realisation of the gain, more than ten percent (10%) of the share capital of the Fund or (ii) the Shareholder acquired free of charge, within the five (5) years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realised on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, may be subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Luxembourg resident corporate Shareholders

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) which are fully taxable companies must include any profits derived as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Luxembourg resident corporate Shareholders benefiting from a special tax regime

Luxembourg resident corporate Shareholders which benefit from a special tax regime, such as (i) UCIs governed by the 2010 Law, (ii) specialised investment funds governed by the law of 13 February 2007, as amended, (iii) family wealth management companies governed by the law of 11 May 2007, as amended, and (iv) reserved alternative investment funds governed by the law of 23 July 2016, as amended, and treated as specialised investment funds for Luxembourg tax purposes are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax on profits derived from the Shares.

11.2.3 **Luxembourg Income Tax - Luxembourg non-residents**

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not subject to any income tax in Luxembourg on income received and capital gains realised upon the sale, repurchase or redemption of the Shares.

Corporate Shareholders that are non-residents of Luxembourg but that have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received as well as any gain realised on the sale, repurchase or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to non-resident individuals Shareholders, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

11.2.4 **Net Wealth Tax**

Luxembourg resident Shareholders, and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the 2010 Law, (iii) a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (v) a specialised investment fund governed by the law of 13 February 2007, as amended, (vi) a family wealth management company governed by the law of 11 May 2007, as amended, (vii) a professional pension institution governed by the law of 13 July 2005, as amended, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016, as amended.

However, (i) a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, (ii) a tax opaque company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (iii) a professional pension institution governed by the law of 13 July 2005, as amended and (iv) a tax opaque reserved alternative investment fund governed by the law of 23 July 2016 and treated as a venture capital vehicle for Luxembourg tax purposes remain subject to a minimum net wealth tax in Luxembourg.

11.2.5 **Other Taxes**

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for

inheritance tax purposes. No estate or inheritance tax is levied on the transfer of Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

11.3 **FATCA**

Capitalised terms used in this section 11.3 should have the meaning as set forth in FATCA, unless otherwise provided herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and that have direct or indirect ownership by U.S. persons of such non-U.S. entities. As part of the process of implementing FATCA, the U.S. government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and that are subject to FATCA.

Luxembourg has entered into the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on financial accounts held by Specified U.S. Persons, if any, to the Luxembourg tax authorities.

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to obtain and verify information on all of its Shareholders. On the request of the Fund, each Shareholder shall agree to provide such documentation, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), on the controlling persons (the "**Controlling Persons**") of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its Shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund is to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value

of the Shares held by the Shareholders may suffer material losses. The failure for the Fund to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the thirty percent (30%) withholding tax to be imposed on payments of U.S. source income as well as penalties.

Any Shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such Shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through Intermediaries are reminded to check if and how their Intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

11.4 **Common Reporting Standard**

Capitalised terms used in this section 11.4 should have the meaning as set forth in the CRS Law unless otherwise provided herein.

The Fund may be subject to the CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information as exhaustively set out in Annex I of the CRS Law (the "**CRS Information**") related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders that are qualifying as reportable persons (the "**Reportable Persons**"), and (ii) Controlling Persons of passive certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. The CRS Information will include personal data related to the Reportable Persons. The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Fund with the CRS Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the CRS Information for the purposes as set out in the CRS Law. Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of the CRS Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

The Shareholders are further informed that the CRS Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law.

The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the reportable jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data not be accurate. The Shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such Shareholder's failure to provide the CRS Information or documentation and the may, in its sole discretion, redeem the Shares of such Shareholder.

12. GENERAL INFORMATION

12.1 Reports and financial statements

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP and will contain any material changes to the information listed in article 23 of the AIFMD during the financial year to which the financial statement refers.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The first financial year will end on 31 December 2024 and the first Annual Report will be issued as of 31 December 2024.

The Annual Report shall be made available to Investors within six (6) months from the end of each financial year. Investors may obtain, upon request, a copy of the latest Annual Report from the Fund free of charge.

The Reference Currency of the Fund is the EUR. The Annual Report will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

12.2 Meetings of Shareholders

The annual General Meeting will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual General Meeting will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other General Meetings may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General Meetings of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all General Meetings may be made through announcements filed with the Luxembourg Trade and Companies' Register and be published at least fifteen (15) days before the meeting in the *Recueil électronique des sociétés et associations* (RESA) and in a Luxembourg newspaper and sent to all registered Shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered Shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all General Meetings will be those laid down in the Articles of Association and in the 1915 Law. Subject to the foregoing, all Shareholders may attend General Meetings in person or by appointing another person as his proxy in writing or by electronic mail or any other similar means of communication that has been accepted by the Board. A single person may represent several or even all Shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the Shareholder to one (1) vote at all General Meetings of Shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such

Share is a Share of such Sub-Fund or Share Class, provided that, notwithstanding any other provision herein, the Board of Directors may suspend the right of any Defaulting Investor, or any other Investor that is in breach of its obligations to the Fund under the terms of the Articles of Association, this Prospectus or the applicable Subscription Agreement, to participate in any vote, approval or consent of the Shareholders at any General Meeting, unless and until such Default or breach is cured to the satisfaction of the Board of Directors.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the Board of Directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any Shareholder in breach of his obligations as described in this Prospectus, the Subscription Agreement or the Articles of Association.

12.3 **Investor Rights**

Upon the issue of the Shares, the person whose name appears on the Share Register will become a Shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the Investors' attention to the fact that, where an Investor invests in the Fund through an Intermediary acting in his own name but on behalf of the Investor, it may not always be possible for the Investor to (i) exercise certain Shareholder rights, such as the right to participate in General Meetings, directly against the Fund, or (ii) to be indemnified in case of Net Asset Value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Fund. Investors are advised to seek advice in relation to their rights.

The Fund is established under and is subject to the laws of the Grand Duchy of Luxembourg. The Articles of Association, the Subscription Agreement and any rights and obligations derived directly or indirectly from this Prospectus will be governed by, and construed in accordance with, the laws of the Grand Duchy of Luxembourg and the Luxembourg courts will have exclusive jurisdiction to settle any dispute, arising from or connected therewith. The laws of the Grand Duchy of Luxembourg may be different to the laws which prospective Investors are accustomed to and could make bringing actions under Luxembourg laws more difficult than their national laws.

There are no legal instruments in Luxembourg required for the recognition and enforcement of a judgment rendered in a Luxembourg court.

There are a number of legal instruments providing for the recognition and enforcement of foreign judgments in Luxembourg. The courts of Luxembourg will recognise as valid, and will enforce, any final, conclusive and enforceable civil judgment obtained in a court of an EU Member State in respect of any contracts relating to the Fund where the parties to such contract have submitted to the jurisdiction of the courts of such EU Member State in accordance with the provisions of the Brussels I (Recast). The Court of Appeal of Luxembourg may refuse to recognise and enforce a foreign judgment given on the basis of the Brussels I (Recast) by the district courts of Luxembourg, but only on grounds specified in articles 45 and 46 of the said Brussels I (Recast). In addition, Luxembourg is party to the Brussels Convention. Therefore, judgments obtained from the courts of territories excluded from the Brussels Regulation pursuant to article 355 of the Treaty on the Functioning of the European Union, would be recognised and enforceable by the Luxembourg courts in accordance with the applicable enforcement proceedings provided for in the Brussels Convention. Luxembourg is also party to the Lugano Convention. Judgments obtained in the courts of Iceland, Norway or Switzerland would therefore be recognised and enforceable by the Luxembourg courts in accordance with the applicable enforcement proceedings provided for in the Lugano Convention.

The courts of Luxembourg will recognise as valid, and will enforce, without reconsideration of the merits, any final, conclusive and enforceable civil judgment obtained against the Fund in the courts of a competent jurisdiction outside the scope of the Brussels I (Recast), Brussels Convention or Lugano Convention, subject to and in accordance with general Luxembourg rules applicable to the recognition and enforcement of foreign court decisions. Luxembourg courts may refuse to recognise and enforce such a judgment if one or several of the following requirements are not met: (i) the foreign court judgment must be enforceable in the country in which it was rendered; (ii) the foreign court must have had jurisdiction according to the Luxembourg conflict of jurisdictions rules; (iii) the foreign procedure must have been regular in light of the laws of the country in which the judgment was rendered, in particular with the rights of defence; (iv) the foreign court must have applied to the matter submitted to it the proper law which is designated by the Luxembourg conflict of laws rules; (v) the judgment of the foreign court must not be contrary to the Luxembourg international public policy; and (vi) the foreign judgment must not have been obtained by fraud.

12.4 **Preferential Treatment**

The Fund and the AIFM will act in accordance with the principle of fair treatment of Investors in accordance with and to the extent required by the 2010 Law, the AIFMD and the 1915 Law. Subject to the foregoing, the Fund and/or the AIFM are permitted to enter into arrangements with Investors which have the effect of confirming or supplementing the terms of this Prospectus, the relevant Supplement and any Subscription Agreement, and it cannot be excluded that such arrangements will result in preferential treatment. Further details of any preferential treatment afforded to Investors, as well as any legal and economic links between such Investors and the Fund and/or the AIFM, will be made available to other Investors upon request to the Fund or the AIFM, in accordance with and to the extent required by the 2010 Law, the AIFMD and/or the 1915 Law. Such preferential treatment may include, without limitation, reporting of information to an Investor for tax, accounting, regulatory or other requirements, including information on portfolio positions, waiving restrictions which apply to Shares, such as minimum or additional subscription amounts and transfer conditions, or agreeing specific conditions in respect of Shares. Any preferential treatment accorded to one or more Investor shall not result in overall material disadvantage to other Investors in the relevant Sub-Fund.

In particular, in accordance with the ELTIF Regulation, all Investors that are Retail Investors in an ELTIF Sub-Fund benefit from equal treatment, and no preferential treatment or specific economic benefit will be granted to individual Investors or groups of Investors within a Share Class an ELTIF Sub-Fund.

12.5 **Documents and Information Available**

The Annual Reports shall be made available to Investors within six (6) months following the end of the reporting period. The Semi-Annual Report will be made available to Investors within three (3) months following the end of the period to which it relates. The Annual Report will comprise consolidated accounts of the Fund expressed in the Fund currency as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund. In accordance with the ELTIF Regulation, Investors in ELTIF Sub-Funds will receive the additional information required under the ELTIF Regulation in the Annual Report, and Investors may obtain, upon request to the Fund or the AIFM, a paper copy of the latest Annual Report, free of charge.

As required by the AIFM Laws and Regulations, and to the extent only that such requirements are applicable, the following information shall be periodically provided to Investors by means of disclosure in the Annual Reports of the Fund (or such other ad hoc reports issued by the Fund) or any other means approved by the AIFM at its own discretion or, if the materiality so justifies, notified to Investors:

the percentage of the relevant Sub-Fund's assets which are subject to special arrangements arising from their illiquid nature, any new arrangements for managing the liquidity of the relevant Sub-Fund, the current risk profile of the Sub-Fund and the risk management systems employed by the AIFM to manage those risks, the total amount of leverage employed by the AIFM in respect of each Sub-Fund, and any changes to the maximum level of leverage, which the AIFM (or its delegate) may employ on behalf of the relevant Sub-Fund as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement.

Periodic and ad hoc reports and Investor information will generally be made available to Investors in electronic form, on an electronic secure platform, by email or other means of electronic communication, unless otherwise required by applicable law.

Investors may obtain, upon request to the Fund or the AIFM, an electronic copy of this Prospectus as well as of the latest Annual Report and the Articles of Association, free of charge. Copies of the following documents are available for inspection during usual business hours on any Business Day at the registered office of the Fund: the AIFM Agreement, the Depositary Agreement and the Administration Agreement.

The AIFM has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to the Sub-Fund may be obtained from the AIFM upon request.

12.6 Data Protection

In accordance with the provisions of the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**") and any applicable national data protection laws (including but not limited to the Luxembourg law of 1 August 2018 organising the National Commission for Data Protection (*Commission Nationale pour la Protection des Données*, the "**CNPD**") and the general system on data protection, as amended from time to time) (collectively hereinafter the "**Data Protection Laws**"), the Fund acting as data controller (the "**Data Controller**"), collects (directly or through the Administrator or the AIFM), stores and processes by electronic or other means the data supplied by investors and/or prospective investors (or if the investor and/or the prospective investor is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), financial intermediary(ies), agent(s), representative(s) and/or beneficial owner(s)) (the "**Data Subjects**") prior to, or at the time of, their subscription for the purposes outlined below.

The data processed includes the Data Subject's name, age, gender, date of birth, nationality, citizenship, profession, ID or passport, contact details (including phone, fax, account number, identity number/social security number, postal and/or e-mail address), identity card with photo, proof of address, tax identifiers, tax status, tax certificates, source of wealth, source of funds, banking details, IBAN and BIC codes, PEP status, sanctions status, income, related parties, power of attorney status, client communications, invested amounts and any information regarding the dealing in shares (subscription, conversion, redemption and transfer) (the "**Personal Data**"). As part of its compliance with legal obligations such as AML/CTF, the Data Controller may be required to process special categories of Personal Data as defined by the GDPR, including Personal Data relating to political opinions, as well as criminal convictions and offences. Personal data relating to political opinions of Data Subjects having a public political exposure will be processed by the Data Controller on the basis of article 9(2)(e) of the GDPR (i.e. the personal data have manifestly been made public by the data subject).

Data Subjects may, at their discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the Data Controller may reject their request for subscription for Shares in the Fund if the relevant Personal Data is necessary to such subscription and/or holding of Shares.

Investors and/or prospective investors who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller (directly or through the Administrator or the AIFM) are processed in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data Subjects of the contents of this section 12.6, in accordance with Articles 12, 13 and/or 14 of the GDPR.

The Personal Data supplied by Data Subjects are processed by the Data Controller for the purposes of complying with applicable anti-money laundering rules and any other legal obligations applicable to it for the purpose of (i) maintaining the register of investors; (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends or Shares to the investors; (iii) complying with applicable anti-money laundering rules and any other legal obligations, such as maintaining controls in respect of late trading and market timing practices, CRS/FATCA obligations or mandatory registrations with registers including among other the Luxembourg register of beneficial owners and/or any court, government, supervisory, regulatory or tax authority; (iv) account administration; (v) client relationship management (vi) marketing, (vii) risk management and (viii) exercising the business of the Fund in accordance with reasonable market standards . In addition, Data Subjects acknowledge their rights to oppose to the use of Personal Data for commercial prospection by writing to the Data Controller.

Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription of Shares (*i.e.*, to perform any pre-contractual measures as well as the contract entered into by the Data Subjects) in the above points (i) and (ii), for the legitimate interests of the Data Controller or the Fund for the points (v), (vi), (vii) and (viii) and to comply with the legal obligations imposed on the Fund for the point (iii) of the above paragraph.

In addition to this, the Personal Data might be processed for the provision of the proof, for the establishment, exercise or defence of legal claims, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger, other reorganisation or acquisition of any part of the Fund's business.

The Personal Data may also be processed by the Data Controller's data recipients (the "**Recipients**") which, in the context of the above mentioned purposes, refer to the Investment Manager and its Affiliates, the AIFM, the Depositary, the Administrator, the Valuation Support Agent, the Auditor, the Fund's legal adviser, any third party that acquires, or is interested in acquiring or securitising, all or part of the assets or Shares, or that succeeds the Fund in carrying on all or a part of its businesses, or services provided to it, whether by merger, acquisition, reorganisation or otherwise as well as any other third party supporting the activities of the Data Controller. The Recipients processing the Personal Data on behalf and upon instructions of the Data Controller may disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which will process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller.

The Recipients may be located either inside or outside the EEA. Where the Recipients are located in a country outside the EEA which benefit from an adequacy decision of the European Commission, the Personal Data are transferred to the Recipients upon such adequacy decision. Where the Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data or does not benefit from an adequacy decision of the European

Commission, the Data Controller have entered into legally binding transfer agreements with the relevant Recipients in the form of the European Commission approved model clauses or any other appropriate safeguards pursuant to the GDPR. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental, judicial, prosecution or regulatory agencies and/or authorities, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Laws, Data Subjects acknowledge their right to: access their Personal Data; correct their Personal Data where it is inaccurate or incomplete; object to the processing of their Personal Data; restrict the use of their Personal Data; ask for erasure of their Personal Data; and ask for Personal Data portability.

The Data Subjects may exercise their above rights by emailing dataprotectionoffice@morganstanley.com.

The Data Subjects also acknowledge the existence of their right to lodge a complaint with the *Commission Nationale pour la Protection des Données* (the "**CNPD**") at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data will not be retained for periods longer than those required for the purpose of their collection and processing, subject to any limitation periods imposed by law.

12.7 Liquidation and Reorganisation

The Fund has been set up for an unlimited term and shall end with the dissolution and liquidation of its last Sub-Fund. The Sub-Funds or Share Classes will be created for a limited or unlimited period as provided for in each Supplement. The Sub-Funds or Share Classes will terminate, and enter into liquidation, automatically on the term provided for in each Supplement (where applicable), without prejudice to any extension of their term in accordance with the relevant Supplement.

Except as otherwise specified in a Supplement, the Board of Directors may, subject to the prior approval of the CSSF, decide to liquidate a Sub-Fund if its Net Asset Value has decreased to, or have not reached, an amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner or if the Board of Directors has determined, in the best interest of the investors, that a change in circumstances relating to the Sub-Fund has occurred would justify such liquidation. Investors of the relevant Sub-Fund will be notified by the Board of Directors of any decision to liquidate the relevant Sub-Fund prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures applicable to, the liquidation. The preceding provisions shall apply without prejudice to any specific limitations or conditions contained in the relevant Supplement in respect of one or several Sub-Funds.

In addition to the above, should the capital of the Fund fall below two thirds (2/3) of the minimum capital as set out in the 2010 Law (i.e., EUR 1,250,000 or the equivalent in USD), an extraordinary General Meeting must be convened to consider the dissolution of the Fund. Any decision to liquidate the Fund must be taken by a majority of the Shares present or represented at the General Meeting, provided that no quorum is prescribed. Where the capital of the Fund falls below one quarter (1/4) of the minimum capital as set out in the 2010 Law (i.e., EUR 1,250,000 or the equivalent in USD), the Board of Directors must convene an extraordinary General Meeting to decide upon the liquidation of the Fund. At that General Meeting, the decision to liquidate the Fund may be taken by Shareholders holding together one quarter (1/4) of the Shares present or represented.

As soon as the decision to dissolve the Fund or any Sub-Fund is taken, the issue of Shares of the Fund or the relevant Sub-Fund is prohibited and shall be deemed void.

In the event of dissolution of the Fund, the Board of Directors shall, subject to the prior approval of the CSSF, appoint a liquidator or act as liquidator of the Fund, unless otherwise decided by the General Meeting, which shall proceed with an orderly liquidation of the Fund pursuant to the 2010 Law, the 1915 Law and other applicable laws and regulations, and the provisions of this Prospectus and the Articles of Association. Investments which cannot be distributed to their beneficiaries upon the close of liquidation of the Sub-Fund concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

In the same circumstances as described above in respect of the liquidation of a Sub-Fund, the Board of Directors may, subject to the prior approval of the CSSF, decide to initiate a transfer all of the assets of a Sub-Fund to, or amalgamation of all of the Shares of such Sub-Fund with, another existing Sub-Fund within the Fund, or to undertaking for collective investment subject to the provisions of part II of the 2010 Law, or to another sub-fund thereof (the "**New Sub-Fund**") in accordance with applicable law, and re-designate the Shares of such Sub-Fund as shares of the New Sub-Fund, following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to the Shareholders of such Sub-Fund. Such a transfer or amalgamation of a Sub-Fund to another existing Sub-Fund within the Fund, or to another undertaking for collective investment subject to the provisions of part II of the 2010 Law, or to another Sub-Fund thereof, may only be initiated by the Board of Directors with the approval of the Investors of the relevant Sub-Fund by Investor Special Consent. The preceding provisions shall apply without prejudice to any specific limitations or conditions contained in the relevant Supplement in respect of one or several Sub-Funds.

Notwithstanding the above, an ELTIF Sub-Fund may only be merged with a New Sub-Fund also qualifying as an ELTIF Sub-Fund.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

13. AMENDMENTS

The Board of Directors may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund. Any amendment of this Prospectus will require approval by the CSSF prior to taking effect. All amendments to the Prospectus must be in writing in order to be effective. The Board of Directors will give prompt notice to each investor of any amendment of the Prospectus.

Amendments to the general provisions of this Prospectus which may adversely affect Shareholders in a material respect, as reasonably determined by the Board of Directors, require the consent of the Investors in any closed-ended Sub-Fund pursuant to an Investor Special Consent, whereas Investors in any open-ended Sub-Fund shall be given one (1) month prior notice in order to enable them to request, before the amendments are effective, that their Shares be redeemed in accordance with and subject to the terms contained in the relevant Supplement, free of any Redemption Fee or other repurchase, reduction or redemption charge.

Unless otherwise specified for a Sub-Fund, any amendment which may adversely affect Shareholders in a material respect, as reasonably determined by the Board of Directors, to the specific provisions of a Supplement for a Sub-Fund that is closed-ended requires the consent of the Investors of that Sub-Fund only, pursuant to an Investor Special Consent, whereas Investors in any open-ended Sub-Fund shall be given one (1) month prior notice in order to enable them to request, before the amendments are effective, that their Shares be redeemed in accordance with and subject to the terms contained in the relevant Supplement, free of any Redemption Fee or other repurchase, reduction or redemption charge.

Notwithstanding the above, and unless otherwise specified for a Sub-Fund in a Supplement, the Board of Directors may, without the approval of any Investor, amend or waive any provision of the Prospectus or a Supplement provided that such amendment or waiver does not adversely affect Shareholders in a material respect, including without limitation:

(i) to create a new Sub-Funds or to create a new Share Class within any Sub-Fund;

(ii) as may be necessary or advisable to comply with applicable laws or binding guidelines, rules, regulations, directives, opinions, orders, statute or special measures of any governmental entity, or any amendment thereto;

(iii) as may be necessary or advisable to remedy any ambiguities, correct or complete any of its provisions as may be incomplete or inconsistent with any other provisions hereof, or correct any printing or clerical error or omissions, provided that such amendment does not affect the Investors' interests.

The Articles of Association may be amended by way of extraordinary General Meeting of Shareholders in accordance with the quorum and majority requirements of the 1915 Law and the Articles of Association.

14. CONFLICTS OF INTEREST

An investment in the Fund is subject to a number of actual or potential conflicts of interest.

The Board of Directors, the AIFM, the relevant Investment Manager(s) for each applicable Sub-Fund, the Depositary, the Administrator, the Valuation Support Agent, and/or their respective Affiliates or any person connected with them (together the "**Relevant Parties**") may from time to time act as management body, investment manager, distributor, trustee, custodian, depositary, registrar, broker, administrative agent, investment adviser, valuation support agent, third-party valuer or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Sub-Funds or which may invest in the Sub-Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Sub-Funds.

The Investment Manager may (in consultation with the AIFM) appoint the Board of Directors (comprised of individuals, a majority of whom will be independent of Morgan Stanley) or one or more other persons (or committee of persons) who are not affiliated with Morgan Stanley (any such person or committee, including the Board of Directors, an "**Independent Person**") to review and approve or disapprove, at the request of the Investment Manager and on behalf of all Shareholders, certain matters in connection with the foregoing that require consent under the Advisers Act or other applicable law, and to review and approve or disapprove any other matters presented to them, including certain transactions, measures and other matters arising in connection with actual and/or potential conflicts of interest. Any such approval will be binding upon the relevant Sub-Fund and all the Shareholders.

The AIFM, the relevant Investment Manager(s) and their Affiliates may provide investment management services to other undertakings for collective investment and accounts whose investment objectives may or may not be similar to those of a Sub-Fund or whose investment programmes may or may not be similar to those of the Sub-Funds and in which the relevant Sub-Funds have no interest. The portfolio strategies of the AIFM, the relevant Investment Manager(s) and their Affiliates used for other undertakings for collective investment or accounts may be in conflict with the operations and strategies recommended by the AIFM and/or the relevant Investment Manager(s) to manage any Sub-Fund and may affect the price and availability of securities and instruments in which such Sub-Fund invests.

The AIFM, the relevant Investment Manager(s) and their Affiliates may give advice or act on behalf of one of their other clients differently from how they act on behalf of the investments of a Sub-Fund in terms of advice or timing or the nature of the action taken. The AIFM and/or the Investment Manager are not required to recommend to a Sub-Fund's investment opportunities that they might recommend to other clients. The Relevant Parties have adopted policies and procedures reasonably designed to prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited or prohibited by law, unless an exception is available. The Relevant Parties will, at all times, have regard in such event to its obligations to the Sub-Funds and will endeavour to ensure that conflicts of interest are resolved fairly.

The AIFM has adopted and implemented a conflicts-of-interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk, including specific risks related to co-investments, of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly. The Board of Directors will also seek to ensure that any conflict of interest of which it is aware is resolved fairly.

In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Sub-Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Any Relevant Party may deal with the Fund as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Investment Management Agreement, the Articles of Association, this Prospectus, the Administration Agreement and the Depositary Agreement, to the extent applicable.

The Investment Manager or any of its Affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Sub-Funds. Neither the Investment Manager nor any of its Affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Board of Directors, on behalf of the Fund, or to account to the Fund in respect of (or share with the Sub-Funds or inform the Board of Directors of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

The Depositary may from time to time, act as the depositary of other undertaking for collective investment funds. The Depositary will provide, from time to time, a description of the conflicts of interest that may arise in respect of its duties. Moreover, if the Depositary delegates the whole or part of its safekeeping functions to a sub-custodian, it will provide, from time to time, a list of any conflicts of interest that may arise from such a delegation.

In calculating a Sub-Fund's Net Asset Value, the Administrator may consult or obtain pricing information from the Investment Manager, the Valuation Support Agent and their Affiliates with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager, the Valuation Support Agent and their Affiliates in determining the value of the assets of a Sub-Fund and the Net Asset Value of a Sub-Fund and the entitlement of the Investment Manager (or the AIFM, as applicable) to Management Fees and, where applicable, Carried Interest, Incentive Allocation or Performance Fees, if and to the extent it is calculated on the basis of the Net Asset Value of a Sub-Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund. Specific disclosures in relation to potential conflicts of interest related to a Sub-Fund shall be set out in the relevant Supplement.

15. CERTAIN REGULATORY LAW MATTERS

Certain Securities Law Matters

U.S. Securities Act of 1933

The offer and sale of Shares of any Sub-Fund in the United States has not been and will not be registered under the Securities Act. Such Shares shall be offered in reliance upon the exemption from registration under the Securities Act provided by Section 4(a)(2) thereof and Regulation D promulgated thereunder and/or Regulation S promulgated under the Securities Act. Each Investor who is a U.S. Person must be an "accredited investor" (as defined in Regulation D promulgated under the Securities Act) and will be required to represent, among other customary private placement representations, that it is acquiring its Shares for its own account and for investment purposes only and not with a view to resale or distribution.

Shares of any Sub-Fund will not be registered under any other securities laws, including state securities or blue-sky laws and non-U.S. securities laws.

Shares of any Sub-Fund may not be transferred or resold except as permitted under the Securities Act and any applicable state or non-U.S. securities laws, pursuant to registration or exemption therefrom. As described elsewhere in this Prospectus, the transferability of the Shares will be further restricted by the terms applicable to a Sub-Fund as set out in the relevant Supplement.

U.S. Securities Exchange Act of 1934

In connection with any acquisition or beneficial ownership by the Fund of more than 5% of any class of the equity securities of a company registered under the Exchange Act, the Fund may be required to make certain filings with the SEC. Generally, these filings require disclosure of the identity and background of the purchaser, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser's interest in the securities and any contracts, arrangements, or undertakings regarding the securities. In certain circumstances, the Fund may be required to aggregate its investment position in a given portfolio company with the beneficial ownership of that company's securities by or on behalf of the Investment Manager and its Affiliates, which could require the Fund, together with such other parties, to make certain disclosure filings or otherwise restrict the Fund's activities with respect to such portfolio company securities.

Also, if the Fund becomes the beneficial owner of more than 10% of any class of the equity securities of a company registered under the Exchange Act or places a director on the board of directors of such a company, the Fund may be subject to certain additional reporting requirements and to liability for short-swing profits under section 16 of the Exchange Act. The Fund intends to manage its investments so as to avoid the short-swing profit liability provisions of section 16 of the Exchange Act.

It is not expected that the Fund will be required to register the Shares or any other security of the Fund under Section 12(g) or any other provision of the Exchange Act. The Fund does not expect to have any class of equity security held of record by two thousand (2,000) or more persons and expects to meet the other exemptions available under the Exchange Act. As a result, the Fund would not be subject to the periodic reporting and related requirements of the Exchange Act, and Investors should only expect to receive the information and reports required to be delivered pursuant to Prospectus and applicable law.

U.S. Investment Company Act of 1940

It is anticipated that each Sub-Fund will be exempt from the registration requirements of the Investment Company Act. Each Sub-Fund will rely on the exemption contained in Section 3(c)(7) of the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, which are expected to be inapplicable to such Sub-Funds. Each Investor who is a U.S. Person (as defined for purposes of Regulation S promulgated under the Securities Act) must be a "qualified purchaser", as defined in the Investment Company Act and, therefore, will not be afforded the protections of such act. Each Sub-Fund will obtain and rely on appropriate representations and undertakings from each Investor who is a U.S. Person in order to ensure that such Sub-Fund meets the conditions of the applicable exemption on an ongoing basis.

U.S. Investment Advisers Act of 1940

The Investment Manager is registered as an investment adviser under the Advisers Act. Registration as an investment adviser under the Advisers Act by the Investment Manager does not imply any specific level of skill or training nor does it imply any endorsement, approval or certification of the Investment Manager by the SEC.

U.S. State Securities Laws

The Shares will not be registered under any state securities laws in reliance on exemptions from registration. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted by the relevant Supplement and applicable state securities laws pursuant to registration or an available exemption.

Bank Holding Company Act

Morgan Stanley is regulated as a bank holding company under the U.S. Bank Holding Company Act of 1956, as amended (the "**BHCA**"), and related regulations, which together generally restrict bank holding companies from engaging in business activities other than the business of banking and certain closely related activities unless an exemption applies.

Although the Board of Directors currently expects that each Sub-Fund will be able to conduct its activities in a manner that is consistent with the BHCA (were any Sub-Fund deemed to be controlled by Morgan Stanley for bank regulatory purposes), including any applicable exemptions, there can be no assurance that the bank regulatory requirements applicable to Morgan Stanley will not have a material or adverse effect on the Sub-Funds and such requirements may cause the Board of Directors to modify, terminate or dissolve any Sub-Fund earlier than previously contemplated. Furthermore, such bank regulatory requirements may change over time and, if then applicable to any Sub-Fund, may require such Sub-Fund to restructure its investments which may have a material or adverse effect on the Sub-Funds.

Morgan Stanley, in its discretion and without notice to the investors, may request the Board of Directors to initiate a restructuring of the Fund, including the granting of additional powers to the Board of Directors, in order to comply with the BHCA or other legal requirements applicable to, or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on, Morgan Stanley, any of its Affiliates, the Fund or other Investment Vehicles. Morgan Stanley may seek to accomplish this by such means as Morgan Stanley determines in its discretion, and the Board of Directors will cooperate and consult with Morgan Stanley. In connection with any such change, Morgan Stanley

may, in its discretion, cause one or more holders of Shares to assign their right to receive all or a portion of the Carried Interest, Incentive Allocation or Performance Fee, or require the Board of Directors to admit another entity to the Fund for the purpose of receiving all or a portion of such amounts.

U.S. Commodity Exchange Act

To the extent the Fund acquires instruments which may be treated as commodity interests, the AIFM may claim an exemption from registration as a commodity pool operator ("**CPO**") with the U.S. Commodity Futures Trading Commission (the "**CFTC**"), including pursuant to certain no-action relief or pursuant to CFTC Rule 4.13(a)(3) with respect to the Fund, on the basis that, among other things, (a) each Sub-Fund's trading in commodity interest positions (including both hedging and speculative positions, and positions in security futures) is limited so that either (i) no more than 5% of the liquidation value of each Sub-Fund's portfolio is used as initial margin, premiums and required minimum security deposits to establish such positions, or (ii) the aggregate net notional value of each Sub-Fund's trading in such positions does not exceed 100% of the such Sub-Fund's liquidation value, and (b) the Shares are exempt from registration under the Securities Act and are marketed and advertised in the U.S. solely, if at all, in compliance with Regulation D or Rule 144A under the Securities Act. Therefore, unlike a registered CPO, the AIFM will not be required to provide prospective investors with a CFTC compliant disclosure document, nor will the AIFM be required to provide Investors with periodic account statements or certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPO. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or this Prospectus and it is not anticipated that such review or approval will occur. As an alternative to the exemption from registration as a CPO, the AIFM may register as a CPO with the CFTC and avail itself of certain disclosure, reporting and record-keeping relief under CFTC Rule 4.7 or another exemption.

U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Act was signed into law by then-President Obama on 21 July 2010. Section 619 of the Dodd-Frank Act, known together with final regulations promulgated thereunder as the Volcker Rule restricts banking entities, such as Morgan Stanley, absent an applicable exclusion or exemption, from acquiring or retaining any equity, partnership or other ownership interests in, or sponsoring, among certain other types of investment funds, most hedge or private equity funds that rely solely on Section 3(c)(1) or 3(c)(7) of the Investment Company Act (a "**Covered Fund**"). U.S. financial regulators issued final rules to implement the statutory mandate of the Volcker Rule on 10 December 2013, which are currently in effect as amended, with respect to Morgan Stanley's investments in and relationships with any Sub-Fund that constitutes a Covered Fund.

The Volcker Rule also prohibits any banking entity, including Morgan Stanley, from engaging in certain activities that would (i) subject to certain mitigants, involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, (ii) result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies, or (iii) pose a threat to the safety and soundness of Morgan Stanley or the financial stability of the United States. As a result, the Fund may also be prohibited from engaging in such activities.

Under the asset management exemption to the Volcker Rule, Morgan Stanley may sponsor and advise a Covered Fund, provided all requirements and limitations of the asset management exemption are met. Unless a relevant exclusion can be relied upon, each Sub-Fund is expected to be a Covered Fund and thus, Morgan Stanley is prohibited from owning more than 3% of the

outstanding ownership interests of the any Sub-Fund that constitutes a Covered Fund. Morgan Stanley may not guarantee, assume or insure the obligations or performance of any such Sub-Fund or provide liquidity to any such Sub-Fund to make up any shortfall, including due to an Investor's failure to make a contribution when due. In addition, Morgan Stanley is not permitted to make a loan or extension of credit to such Sub-Fund (and even some Sub-Funds that fit an exemption from the Covered Fund definition), to purchase assets from the Sub-Fund or to enter into certain other transactions that cause Morgan Stanley to have credit exposure to the Sub-Fund. Certain other transactions between Morgan Stanley and the Sub-Fund must be on terms and under circumstances, including credit standards, that are substantially the same, or at least as favourable to Morgan Stanley, as those prevailing at the time for comparable transactions with or involving other non-affiliated companies, which, among other things, may limit the ability of Morgan Stanley, including the Investment Manager, to furnish services to the Sub-Fund.

The Volcker Rule's final rules, and certain other regulatory guidance, including frequently asked questions published on the Federal Reserve's website, provide further information regarding how the above conditions may be interpreted or implemented.

Compliance with Anti-Money Laundering Requirements

The Fund complies with policies and procedures consistent with the requirements of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (including the implementing regulations thereunder, the "**USA PATRIOT Act**"), and may become subject to the requirements of the USA PATRIOT Act. Accordingly, to allow the Board of Directors to comply with such policies and procedures and any applicable U.S. and other anti-money laundering laws and regulations (including rules of the Financial Crimes Enforcement Network of the U.S. Department of the Treasury), the Fund, the AIFM, the Administrator, the Board of Directors and the Investment Manager reserves the right to request such information as is necessary to verify the identity of an investor and its beneficial ownership the Fund and their source of funds and/or wealth used to subscribe into the Fund and other information.

The Fund may decline to accept a subscription for Shares if the above information is not provided or on the basis of such information that is provided. The Fund, the AIFM, the Administrator, the Board of Directors and the Investment Manager may request such additional information from prospective investors as they each deem necessary in order to comply with Morgan Stanley policies and procedures, the USA PATRIOT Act, or other relevant U.S. or other anti-money laundering legislation or regulations, and may provide such information to a government regulatory authority if they deem it necessary in order to comply with Morgan Stanley policies and procedures, the USA PATRIOT Act, or other relevant U.S. or other anti-money laundering legislation or regulations administered or enforced by such government regulatory authority. Similarly, when Shares are issued, they cannot be withdrawn or transferred until any requested anti-money laundering documents have been provided to the satisfaction of the Fund.

Requests for documentation and additional information may be made at any time during which an Investor or Shareholder holds Shares in the Fund. In addition, the Fund reserves the right to reject a subscription request, for any reason or no reason, in whole or in part, in which event the application monies or any balance thereof will be returned without unnecessary delay to the investor by transfer to the investor's designated account or by post at the investor's risk, provided the identity of the investor can be properly verified pursuant to the anti-money laundering laws.

The Fund will comply with the anti-money laundering laws on an on-going basis. Requests for documentation and additional information may be made at any time during which an Investor remains

invested in the Fund. Failure to provide such information or to do so to the satisfaction of the Fund may result in the Fund rejecting a subscription or increase in Commitments request or designating such Investor as being in default under this Prospectus and applying to such Investor, the Defaulting Investor provisions of this Prospectus.

Failure to provide proper documentation may result in the withholding of distributions proceeds by the Fund. Any information provided to the Fund in this context is collected for anti-money laundering and anti-terrorism financing compliance purposes only.

Economic Sanctions Regulations

The Fund is subject to Sanctions Laws and Regulations which restrict it from dealing with any person that is the target of Sanctions Laws and Regulations, or located, organised or a resident of a country or territory that is the subject of comprehensive territorial Sanctions Laws and Regulations. Each prospective Investor or Shareholder will be required to represent that neither it, nor any Underlying Beneficial Owner or Related Person (each as defined in the Subscription Agreement) is the target of Sanctions Laws and Regulations, or located, organised or a resident of a country or territory that is the subject of comprehensive territorial Sanctions Laws and Regulations, under any law, regulation or order administered by OFAC, including without limitation, Chapter V, Subtitle B of Title 31 of the U.S. Code of Federal Regulations, by Global Affairs Canada or Public Safety Canada, including without limitation, Part II.1 of the Criminal Code, the United Nations Act, Special Economic Measures Act, Freezing Assets of Corrupt Foreign Officials Act or Justice for Victims of Corrupt Foreign Officials Act, His Majesty's Treasury of the United Kingdom, the United Nations Security Council or the EU (each a "**Sanctions Authority**"). Where an Investor is designated by a Sanctions Authority, the Fund, the AIFM, the Board of Drectors and the Investment Manager may be required to cease any further dealings with the Investor's Shares, until such sanctions are lifted, or a license is obtained under applicable law to continue dealings.

The Fund, the AIFM and the Investment Manager may request information and may require representations and covenants from potential Investors or Shareholders as the Fund, the AIFM and the Investment Manager deem necessary in order to comply with any law, regulation or order administered by OFAC or any other Sanctions Authority or Morgan Stanley policies and procedures, and may provide such information to OFAC or another government regulatory authority if the Investment Manager deems it necessary in order to comply with any law, regulation or order administered by OFAC or such other government regulatory authority or Morgan Stanley policies and procedures. The Fund may decline to accept a subscription if adequate representations and covenants are not provided and/or requested information is not provided or on the basis of such information that is provided.

Sanctions Laws and Regulations are subject to change, and the Fund, the AIFM and the Investment Manager will keep under constant review all measures to comply with Sanctions Laws and Regulations. The Fund, by written notice to any Investor or Shareholder or as otherwise required by law, may, without liability, "freeze the account" or suspend the redemption rights of such investor or Shareholder or redeem the Shares held by such Investor or Shareholder if the Board of Directors deems it necessary in order to comply with any law, regulation or order administered by OFAC or any other Sanctions Authority or Morgan Stanley policies and procedures.

Certain ERISA Considerations

ERISA governs the investment of the assets of certain employee benefit plans that may be Shareholders. ERISA and the rules and regulations of the DOL under ERISA contain provisions that should be considered by fiduciaries of those plans and their legal advisors.

Fiduciary Duty of Investing Plans. In considering an investment in a Sub-Fund, plan fiduciaries should consider their basic fiduciary duty under ERISA section 404, which requires them to discharge their investment duties prudently and solely in the interest of the plan participants and beneficiaries.

Before authorising an investment in a Sub-Fund, plan fiduciaries should consider, among other things: (i) the fiduciary standards under ERISA; (ii) whether the investment in a Sub-Fund satisfies the prudence and diversification requirements of ERISA, including whether the investment is prudent in light of limitations on the marketability of the Shares; (iii) whether such fiduciaries have authority to make the investment under the appropriate plan investment policies and governing instruments and under Title I of ERISA; and (iv) whether the investment will give rise to a "prohibited transaction" within the meaning of section 406 of ERISA or section 4975 of the Code. In analysing the prudence of an investment in a Sub-Fund, special attention should be given to the DOL regulation on investment duties (29 C.F.R. section 2550.404a-1).

Plan Assets. Under ERISA and regulations promulgated thereunder by the DOL, as modified by Section 3(42) of ERISA (the "**DOL Regulations**"), when a plan covered by Title I of ERISA or Section 4975 of the Code (each, a "**Covered Plan**") acquires an equity interest (such as Shares) in an entity (such as a Sub-Fund) that is neither a "publicly offered security" (within the meaning of the DOL Regulations) nor a security issued by an investment company registered under the Investment Company Act, the assets of the Covered Plan generally include not only such equity interest, but also an undivided interest in each of the underlying assets of such entity, unless it is established that ownership of each class of equity interest in the entity by "benefit plan investors" (within the meaning of DOL Regulations) has a value in the aggregate of less than 25% of the total value of such class of equity interest then outstanding, determined on the date of the most recent acquisition of any equity interest in the entity (the "**25% Test**").

For purposes of the 25% Test, the term "benefit plan investor" includes (*i*) any employee benefit plan subject to part 4 of Title I of ERISA, (*ii*) any plan, account or arrangement to which section 4975 of the Code applies and (*iii*) any entity whose underlying assets include "plan assets" by reason of a plan's investment in such entity (*e.g.*, an entity of which 25% or more of the total value of any class of equity interests is held by benefit plan investors and which does not satisfy any exception under the DOL Regulations). An entity will be considered a benefit plan investor only to the extent of the percentage of its equity interests that are held by benefit plan investors. Under the 25% Test, the value of equity interests held by a person (other than a "benefit plan investor") that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee (direct or indirect) with respect to such assets (or an affiliate of such person) is disregarded.

The Board of Directors will use reasonable efforts to conduct the affairs and operations of a Sub-Fund so that such Sub-Fund's assets should not be deemed to constitute "plan assets" subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, by limiting investment in a Sub-Fund by "benefit plan investors" (within the meaning of DOL Regulations) to less than 25% of the total value of each class of equity interests in such Sub-Fund. However, there can be no assurance that, notwithstanding the reasonable efforts of the Board of Directors, the underlying assets of a Sub-Fund will not otherwise be deemed to include "plan assets" under ERISA or the Code.

If the assets of a Sub-Fund were deemed to be "plan assets", this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by such Sub-Fund, and (ii) the possibility that certain transactions in which such Sub-Fund might seek to engage could constitute "prohibited transactions" under ERISA and the Code. Covered Plan fiduciaries who decide to invest in a Sub-Fund could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in such Sub-Fund or as co-fiduciaries for actions taken by or on behalf of such Sub-Fund or the Board of Directors. With respect to an IRA that invests in a Sub-Fund, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

Under the Prospectus and the Articles of Association, the Board of Directors will have the power to take certain actions to avoid having the assets of a Sub-Fund characterised as "plan assets," including, without limitation, the right to cause a Shareholder that is a benefit plan investor to withdraw from a Sub-Fund. While the Board of Directors do not expect that the Board of Directors will need to exercise such power, the Board of Directors cannot give any assurance that such power will not be exercised.

Under certain circumstances certain Investors may invest in a Sub-Fund through a feeder vehicle or other entity established by the AIFM or an Affiliate of the AIFM (an "**Intermediate Entity**"). The discussion above will be similarly applicable to any investment in a Sub-Fund either directly or indirectly through an Intermediate Entity. While the Board of Directors will use its reasonable efforts, as described above, to provide that the underlying assets of a Sub-Fund will not constitute "plan assets" under ERISA it is possible that the Intermediate Entity may not satisfy the 25% Test, in which case the assets of such Intermediate Entity will constitute "plan assets" for purposes of ERISA and Section 4975 of the Code. However, the managing entity of the Intermediate Entity is not intended to act as a fiduciary with respect to any Covered Plan that invests in an Intermediate Entity. In this regard, each such Intermediate Entity will be structured as an intermediate vehicle for purposes of an investment in a Sub-Fund and it is intended that any discretion with respect to the investment, management, and disposition of the assets of each such Intermediate Entity will be limited. Consequently, when investing in a Sub-Fund through such an Intermediate Entity, each Investor or Shareholder will, by investing in such Intermediate Entity, be deemed to (i) direct the managing entity of the Intermediate Entity to invest (directly or indirectly through one or more Intermediate Entities) the amount of its subscription in the relevant Sub-Fund and acknowledge that during any period when the underlying assets of the Intermediate Entity are deemed to constitute "plan assets" for purposes of the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA, Section 4975 of the Code or applicable similar law, the managing entity of the Intermediate Entity will act as a custodian with respect to the assets of such Investor or Shareholder but is not intended to be a fiduciary with respect to any such Investor or Shareholder for purposes of ERISA, Section 4975 of the Code or any applicable similar law, and (ii) represent that such subscription, and the transactions contemplated by such direction, will not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, or a violation under any applicable similar law. There can be no assurance that the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code or any applicable similar law will not be applicable to activities of any such Intermediate Entity.

Plans, including governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), and non-U.S. plans (as defined in Section 4(b)(4) of ERISA) (such plans together with Covered Plans collectively referred to as "**Plans**"), while generally not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the

Code, may be subject to U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions of ERISA or the Code (collectively, "**Similar Laws**"). Fiduciaries of any such Plans should consult with their legal advisors regarding the potential consequences of an investment in the notes under any applicable Similar Laws before investing in any Shares.

The Prospectus and the Articles of Association do not constitute an undertaking to provide impartial investment advice, and it is not the Fund's intention to act in a fiduciary capacity with respect to any plan. Each plan is advised to contact its own financial advisor or other fiduciary unrelated to the relevant entities about any decision with respect to any Shares in a Sub-Fund, as may be appropriate for the plan's circumstances.

The discussion of ERISA contained herein is, of necessity, general, and does not purport to be complete. Moreover, the provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. Therefore, the matters discussed above may be affected by future regulations, rulings, and court decisions, some of which may have retroactive application and effect.

Form 5500. Plan administrators of Shareholders that are Covered Plans subject to ERISA may be required to report on Form 5500 Annual Return/Report compensation paid to service providers. The descriptions contained in this Prospectus and the relevant Supplement of fees and compensation, including the Management Fee, the AIFM Fee, Carried Interest, Incentive Allocation or Performance Fee (as applicable), are intended to satisfy the disclosure requirements for "eligible indirect compensation" for which the alternative reporting option on Schedule C of Form 5500 may be available.

Prospective Shareholders that are subject to the provisions of ERISA, Section 4975 of the Code or any applicable Similar Laws and are considering an investment in a Sub-Fund are strongly urged to consult their own legal and tax advisors regarding the consequences of such an investment.

16. CERTAIN RISK CONSIDERATIONS

An investment in the Fund involves a high degree of risk. Prospective Investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of an investment in the Fund. However, this Prospectus does not purport to be a complete disclosure of all risks that may be relevant to a decision to make an investment in the Fund. No attempt has been made to rank risks in the order of their likelihood or potential harm. As a result of such factors, as well as other risks inherent in any investment, there can be no assurance that the Fund will meet its business objectives or that significant operating losses will not occur. Returns on an investment in the Fund may be unpredictable and, accordingly, a prospective Investor should only invest in the Fund as part of an overall investment strategy.

Investors should also carefully consider all of the information set out in this Prospectus and relevant Supplement before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section 16 and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

16.1 Risk related to the Fund, its structure and operations

Prior Results Not Indicative of Future Performance. Prospective investors should bear in mind that the past performance of the relevant Investment Manager and/or other business units within Morgan Stanley is not necessarily indicative of future performance, and there can be no assurance that the targeted or projected returns will be achieved, that the Fund will achieve comparable results, that the returns generated by the Fund will equal or exceed those of other investment activities of Morgan Stanley and that the relevant Investment Manager or that the Fund will be able to implement its investment strategy or achieve its investment objectives.

In addition, the AIFM and the relevant Investment Manager cannot provide assurances that they will be able to select, make and/or realise investments for the relevant Sub-Fund. There is no assurance that such Sub-Fund will be able to generate returns for Investors or that the returns will be commensurate with the risk of investing in the types of assets and transactions described in the relevant Supplement. There can be no assurance that a Sub-Fund's investment objectives will be met or that Investors will receive a return of all their contributions. Therefore, a prospective Investor should only invest in a Sub-Fund if it can withstand a total loss of its investment. Investors must determine for themselves what weight, if any, to place on such past investment performance. In general, there can be no guarantee that the Fund will be able to avoid losses.

Recourse to the Fund's Assets. The Fund's assets, including any investments made by the Fund and any funds held by the Fund, will be available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset and may include the unpaid subscriptions of the Shareholders.

Absence of Recourse to Board of Directors, AIFM and the relevant Investment Manager. The Articles of Association, the AIFM Agreement and the relevant Investment Management Agreement may limit the circumstances under which the Board of Directors, the AIFM and the relevant Investment Manager can be held liable to the Fund and the relevant Sub-Fund. As a result, the Shareholders

may have a more limited right of action in certain cases than they would in the absence of such provisions.

Exculpation; Indemnification; Return of Distributions. The Articles of Association includes exculpation provisions that limit the circumstances under which the Board of Directors, the AIFM, the Investment Manager(s) and others can be held liable to the Fund. The Fund is required to indemnify the Board of Directors, the Investment Manager(s), the AIFM, their Affiliates and each other Indemnified Person from and against any Claims and Expenses which may be imposed on, incurred by or asserted at any time against such Indemnified Person related to or arising out of the management or administration of the relevant Sub-Fund or in connection with the business or affairs of such Sub-Fund or the activities of such Indemnified Person on behalf of such Sub-Fund, or any contractual arrangements agreed upon by Investors, except under certain circumstances. See section 5.10 (*Indemnification*) of this Prospectus. Such losses may be material and may have an adverse effect on the returns to the Shareholders. In addition, certain agents, and service providers to the Fund, including placement agents and finders, may be entitled to exculpation and indemnification (in certain cases on terms more favourable to them than those available to the Indemnified Persons generally). The indemnification obligations of the Fund would be payable from the assets of the Fund, including the Undrawn Commitments of the Shareholders, if any. In addition, if and to the extent provided in a Supplement, the Board of Directors may recall certain distributions previously made to the Shareholders to fund indemnification expenses and other obligations and liabilities of the Fund. Such obligation will generally be borne by the Shareholders in such amounts as will result in each Shareholder retaining distributions equal to the cumulative amount each such Shareholder would have received had the obligation been known at the time of the prior applicable distribution. This obligation may extend beyond the term of the relevant Sub-Fund.

Investors Have No Management Rights. The Fund will be managed by the Board of Directors, the AIFM and, in respect of each Sub-Fund, the relevant Investment Manager appointed in respect of that Sub-Fund. The Board of Directors, the AIFM, the relevant Investment Manager and their respective Affiliates and agents will conduct and manage the affairs of the Fund and the relevant Sub-Fund (including sourcing prospective investments) and investors will not make decisions with respect to the acquisition, management, disposition or other realisation of any Investment, or other decisions regarding the Fund's business and affairs. Consequently, the Investors will generally not be able to evaluate for themselves the merits of particular investments prior to the Sub-Fund making such investments. There can be no assurance that a Sub-Fund, the AIFM and the Board of Directors will be able to successfully implement the strategies that such Sub-Fund intends to pursue. As of the date hereof, none of the investments have been identified with certainty. No person should purchase a Share unless such person is willing to entrust all aspects of the management of the Fund and each Sub-Fund to the Board of Directors, the AIFM, the relevant Investment Manager and their respective Affiliates and agents.

Developments in Financial Services Industry and Impact on Morgan Stanley. In the event of any market turmoil and weakening of the financial services industry, Morgan Stanley's financial condition may be adversely affected, and it may be subject to legal, regulatory, reputational, and other unforeseen risks that could have an adverse effect on Morgan Stanley's business and operations. To the extent that any such events occur, Morgan Stanley, its Affiliates and employees may be unable to fulfil their funding obligations to the Fund, one or more of the Fund's key investment professionals may cease to be associated with the Fund and the Fund may suffer other adverse consequences, each of which could adversely affect the business of the Fund, restrict the Fund's investment activities and impede the Fund's ability to effectively achieve its investment objectives.

Risk of Morgan Stanley Credit Event. Although the Fund is a separate legal entity from Morgan Stanley, in the event that Morgan Stanley were to become insolvent and/or subject to liquidation, or if there were a change of control of Morgan Stanley, the Fund could nonetheless be adversely affected. In that regard, a bankruptcy or change of control of Morgan Stanley or the Investment Manager could cause the Investment Manager to have difficulty retaining personnel, increase the potential that Morgan Stanley would default on its subscription to the Fund, or otherwise adversely affect the Fund and its ability to achieve its investment objectives.

Protection of Confidentiality by the Shareholders. Except with respect to tax-related matters as described in this Prospectus, Shareholders will be required to keep confidential information relating to the Fund (including its Shareholders, investments and portfolio companies) and/or its investment results and expectations thereof. To protect the sensitive nature of this information, the Board of Directors, in its discretion, may generally make all or certain confidential information unavailable to all or certain Shareholders, in some cases based on the status of those Shareholders. Decisions to withhold information may make it difficult for investors to monitor the Investment Manager and its performance.

Public Disclosure. Some Shares will be held by Shareholders, such as public pension plans and listed investment vehicles that are subject to public disclosure requirements. The amount of information such Shareholders are required to disclose about their investments has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to the Fund, any Sub-Fund or its investments or portfolio companies results from Shares being held by public Investors, the Fund may be adversely affected. The Board of Directors may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to certain or all Investors.

General economic and market conditions. The Fund and its investments may be adversely affected by the deterioration of and uncertainty in the financial markets and economic conditions throughout the world, some of which may magnify the risks described in this Prospectus and have other adverse effects. These market conditions have resulted in volatility and illiquidity in the global equity, credit and debt markets generally. While these conditions may create increased investment opportunities for the Fund, certain securities may become less liquid, more difficult to value and thus harder to liquidate.

The duration and ultimate effect of market conditions cannot be forecast, nor is it known whether or the degree to which such conditions may improve or worsen. Although the deterioration of market conditions and uncertainty regarding economic markets generally could result in the Fund acquiring investments on more favourable terms, such conditions may also result in declines in the market values of the Fund's existing investments. Such declines could prevent the Fund from successfully meeting its investment objectives or could require the Fund, the AIFM and the relevant Investment Manager(s) to dispose of investments at a loss while such unfavourable market conditions prevail. Furthermore, the credit markets tend to be volatile and the availability of, and commercially reasonable terms associated with, indebtedness may be difficult to ascertain. As a result, the Fund may be unable to secure a credit facility. This may have an adverse effect on the Fund's ability to acquire and dispose of investments as well as on the returns associated with its investments.

Pay-to-Play Laws, Regulations and Policies. A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations, or policies, which prohibit, restrict, or require disclosure of payments to (and/or certain contacts with) U.S. state and municipal officials by individuals and entities seeking to do business with U.S. state and municipal entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things,

prohibit an investment advisor from providing advisory services for compensation to a government client for two years after such investment advisor or certain of its executives, employees or agents makes a contribution to certain elected officials or candidates. Morgan Stanley has established policies comply with such "pay-to-play" laws and SEC rules. Such laws, regulations, policies, and rules may restrict the activities of the Fund, including the ability to participate in certain investment opportunities or otherwise adversely affect the Fund. In addition, a failure by the Board of Directors, the Investment Manager or the AIFM to comply with pay-to-play laws and rules, could have an adverse effect on the Fund by, for example, providing the basis for the withdrawal of the affected government plan investor.

Registration Under the U.S. Commodity Exchange Act. Registration with the CFTC as a "commodity pool operator" or any change in the Fund's operations necessary to maintain the AIFM's ability to rely upon the exemption from registration as described in section 15 (*Certain Regulatory Law Matters*) of this Prospectus (which changes the AIFM may decide to make in its discretion) could adversely affect the Fund's ability to implement its investment program, conduct its operations and/or achieve its objectives and subject the Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the Fund to cease or to limit investing in interests which may be treated as "commodity interests" in order to comply with the regulations of the CFTC may have a material adverse effect on the Fund's ability to implement its investment objectives and to hedge risks associated with its operations, and any determination by the AIFM to cease or limit hedging by the Fund in order to comply with the regulations of the CFTC or to rely on any exemption from registration could result in diminished returns to Investors.

Potential Changes in U.S. Securities Laws. The regulatory environment for private investment funds is evolving, and changes in the regulation of the Fund may occur that may affect the Fund and its investment results, or some or all of the Investors. Legal, tax and regulatory changes, as well as judicial decisions could adversely affect the Fund and its investment results, or some or all of the Investors. In particular, the changing regulatory environment relevant to private investment funds and investment advisers to such funds may entail increased regulatory involvement in the Investment Manager's business or result in ambiguity or conflict among terms agreed in the Fund's governing documents and the legal or regulatory schemes applicable to the Investment Manager's business, all of which could adversely affect the investment strategies pursued or the value of investments held by the Fund.

Compliance with Applicable Rules and Regulations. Because certain Affiliates of the AIFM, the relevant Investment Manager(s) and Morgan Stanley are subject to and committed to complying with applicable laws and regulations, including, without limitation, anti-money laundering laws and regulations, economic and trade sanctions laws and regulations (including those administered and enforced by OFAC) and the U.S. Foreign Corrupt Practices Act of 1977, as amended, and other anti-corruption laws and regulations, the Fund may not be able to make certain investments, consummate investments or exit investments in the same manner as other investment funds that do not comply with such applicable laws and regulations. The U.S. Foreign Corrupt Practices Act ("**FCPA**"), and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict the activities of the portfolio companies. If a portfolio company were to violate any such laws or regulations, it may face significant legal and monetary penalties. The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that the portfolio companies become the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that asset management firms in general and the funds that they manage, such as the Fund, may face increased scrutiny and/or liability with respect to the activities of their underlying portfolio companies. As such, a violation of the FCPA or other applicable regulations by a portfolio company could have a material adverse effect on the Fund. Any

determination that Morgan Stanley has violated the FCPA, the UK Bribery Act of 2010, or other applicable anti-corruption laws or anti-bribery laws could subject Morgan Stanley to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect Morgan Stanley's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

Uncertain political environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, United Kingdom and elsewhere, the threat of additional terrorist strikes, the fear of a prolonged global conflict and the introduction or amendment by certain jurisdictions of anti-money laundering, embargo and/or trade sanctions, or other similar laws, regulations, requirements or regulatory policies, have materially exacerbated volatility in the financial markets and can cause consumer, corporate, and financial confidence to weaken, increasing the risk of a 'self-reinforcing' economic downturn. Investments can be expected to be sensitive to the global economic and political climate, with instability in one or the other potentially having a negative impact on the global economy and global business activity (including in the countries in which the Fund invests), and therefore could adversely affect the performance of investments. Instability in the global economic environment (including credit, securities, currency, commodity, and other markets) and in global politics may increase the risks inherent in the investments and activities. A continued negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility, stifle investment, and reduce liquidity, each of which could have a material adverse effect on the performance of the investments and the Fund's ability to generate returns.

Force majeure risk. The Fund, its portfolio companies and investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fires, floods, earthquakes, hurricanes, tornadoes, landslides, explosions, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, trade war, cyber security breaches, terrorism, nationalisation of industry and labour strikes). Some force majeure events in any country in which the Fund targets investments could have a material adverse effect on the economy in such country or globally and/or the business operations of investments. Force majeure events could adversely affect the ability of a party (including a portfolio company or a counterparty to the Fund or a portfolio company) to perform its obligations, and the liability and cost arising out of a failure to perform obligations as a result of such force majeure event could be considerable and could be borne by the Fund or a portfolio company until such party is able to remedy the force majeure event. In addition, the cost to a portfolio company or the Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war, earthquakes, fires, or an outbreak of an infectious disease, including COVID-19) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest specifically, thereby affecting the Fund. See "—Public Health Emergencies" below. Additionally, a major governmental intervention into an industry in light of a force majeure event or otherwise, including the nationalisation of an industry or the assertion of control over one or more portfolio companies or its assets (including government action in response to COVID-19), could result in a loss to the Fund, including if its Investment in such portfolio company is cancelled, unwound or acquired (which could be without what the Fund considers to be adequate compensation or ability to remedy). Any of the foregoing may therefore adversely affect the performance of each Sub-Fund and its investments.

Public Health Emergencies. The Fund, the AIFM, the relevant Investment Manager(s) and the Fund's investments may be impacted by business interruptions resulting from public health emergencies such as epidemics, pandemics and contagious diseases (including avian influenza, severe acute respiratory syndrome, swine flu caused by H1N1 virus or H1N1 Flu, and the coronavirus

disease (COVID-19)), geopolitical actions (including war and terrorism) or natural disasters (including earthquakes, typhoons, floods and fires). These may have disruptive effects on the global economy, increase volatility in worldwide financial markets, cause economic, political and social disruptions or restrict work or travel infrastructures.

Although the long-term effects of epidemics and pandemics can be very difficult to predict and it may sometimes even not be possible to predict them, previous occurrences of other epidemics and pandemics had material adverse effects on the economies, equity markets, and operations of those countries and jurisdictions in which they were most prevalent. Any major public health issue could affect individual issuers or related groups of issuers, which would be reasonably likely to adversely affect the business, financial condition and operations of the Fund, the AIFM and the relevant Investment Manager.

In addition, public health emergencies (such as the COVID-19 pandemic) and related containment efforts may adversely affect the ability, or the willingness, of a party to perform its obligations under its contracts and lead to uncertainty over whether such failure to perform (or delay in performing) might be excused under so-called "material adverse change," force majeure and similar provisions in such contracts. As a result, (i) counterparties and service providers to the Fund, the AIFM or the relevant Investment Manager, may fail to perform (or delay the performance of) their obligations to the Fund, (ii) pending transactions (including acquisitions and sales of assets by the Fund) may not close on time or at all, (iii) the Fund, the AIFM, or the relevant Investment Manager may be forced to breach (or may determine not to perform its obligations under) certain agreements, and (iv) related litigation would likely ensue. Any of these occurrences could have a material adverse effect on the Fund and its direct or indirect investments.

The extent of the impact of COVID-19 on the Fund and its direct or indirect investments will depend largely on future developments, including the severity, duration and spread of the outbreak throughout the world, the scope and interval of any related border and business closures, travel advisories, and other restrictions on a wide range of activity, and the effects on the global economy and the markets in which the Fund invests, all of which are highly uncertain and cannot be predicted, but the impact is likely to be material.

Risks Associated with the EU. The long-term stability of certain European financial markets remains uncertain and the possibility of defaults and/or bankruptcies by sovereign states in Europe in respect of their obligations remains a concern, which could have an impact on economic conditions and market activity in the EU. Given current market conditions of relatively weak growth in many Member States (which are expected to continue in the near to medium term), there is a risk that default of certain participating Member States of the EU may lead to the collapse of the Eurozone as it is constituted today, that certain Member States of the EU may cease to use the Euro as their national currency or that one or more Member States may seek to withdraw from EU membership, which would likely have an adverse impact on the Fund. Moreover, financial, and economic developments in one Member State may impact economic and financial conditions among other Member States. A Euro collapse would likely have negative implications for the European financial industry and the global economy as a whole because of counterparty risks, exposures, and other "systemic" risks. A potential effect would be an immediate reduction of liquidity for particular investments in economically connected countries, thereby impairing the value of such investments. See "—General economic and market conditions" for further information.

United Kingdom Exit from the EU; Future trade with the EU. Following the withdrawal of the United Kingdom from the EU, the EU and the United Kingdom agreed to an EU-UK Trade and Cooperation Agreement ("**TCA**") that governs the trading relationship between the United Kingdom

and the Member States of the EU from and after 1 January 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 labour rights, investment, competition, state aid, and tax transparency.

UK regulated firms in the financial sector are adversely affected by these arrangements because the TCA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time the United Kingdom 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 United Kingdom 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 UK 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 United Kingdom'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 United Kingdom 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 any of the Sub-Funds, the performance of their respective investments and their respective ability to fulfil their respective investment objectives (especially if any of their respective 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 labour from the single market). (See also "—Risks Associated with the EU" and "—General Economic and Market Conditions" above).

Economies of emerging markets. All securities investing and trading activities risk the loss of capital. While the AIFM attempts to moderate these risks, there can be no assurance that the Fund's investment and trading activities will be successful or that investors will not suffer significant losses. Investing in emerging markets may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; and (f) certain considerations regarding the maintenance of Fund's securities and cash with non-U.S. brokers and securities depositories. Separately, bid and offer spreads of the price of securities may be significant and accordingly, the Fund may incur significant trading costs.

General economic and market conditions of emerging markets. The economies of individual emerging markets may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in

relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.

Where a Sub-Fund's assets are invested in narrowly defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and thereby subjecting a Sub-Fund to greater exposure to potentially adverse developments within those markets or sectors.

In addition to the risks described in the preceding paragraphs, instruments traded in certain emerging markets may be subject to additional risks due to, among other factors, the inexperience of financial intermediaries, a lack of modern technology, the possibility of temporary or permanent termination of trading and social, political and economic instability generally. As a result, the risks relating to investments in certain emerging markets, including the possibility of nationalisation or expropriation, may be heightened. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests, which may affect the market price, liquidity and rights of securities that may be purchased by the Fund. Settlement mechanisms in emerging securities markets may be less efficient and reliable than in more developed markets, and placing securities with a custodian or broker-dealer in an emerging market country may also present considerable risks.

Volatility, exchange rate fluctuations and currency considerations in emerging markets. Securities markets, particularly in developing countries, may be substantially less liquid and have greater volatility than securities markets in developed countries and greater fluctuations in the rate of exchange between currencies and costs associated with currency conversions.

Emerging market countries tend to have periods of high inflation and high interest rates as well as substantial volatility in interest rates. The value of emerging market debt can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant issuer. Emerging market debt issuers and their obligations are not generally rated by any credit ratings agency, and a significant proportion of such issuers and obligations would likely fall in the lowest rating category if they were rated.

Many emerging market countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates and corresponding currency devaluations and fluctuations in the rate of exchange between currencies and costs associated with currency conversion have had, and may continue to have, adverse effects on the economies and securities markets of certain emerging market countries.

The assets of Sub-Funds which invest in emerging markets will generally be invested in non-USD and non-EUR denominated securities and any income or capital received by such Sub-Fund from these investments will be denominated in the local currency of investment, whereas Shares in a Sub-Fund will typically be denominated in a range of more developed country currencies. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Share Class is denominated may affect the value of the Shares of such Share Class. As the currency exchange rates of emerging market countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in a Sub-Fund which invests in emerging markets may be more pronounced than it would be for Sub-Fund which invest in more developed markets.

Interest rate risk. Interest rates are highly sensitive to many factors beyond a Sub-Fund's control, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Interest rate fluctuations present a variety of risks, including the risk of a mismatch between asset yields and borrowing rates, variances in the yield curve and fluctuating prepayment rates, and such fluctuations may adversely affect a Sub-Fund's returns. The degree to which a security's price will change as a result of changes in interest rates is measured by its duration. Generally, securities with longer maturities have a greater duration and thus are subject to greater price volatility from changes in interest rates. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Inflation. Certain developed economies have recently begun to experience higher-than-normal inflation rates. It remains uncertain whether substantial inflation such developed economies will be sustained over an extended period of time or have a significant effect on such economies. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. In an attempt to stabilise inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that continued and more wide-spread inflation in such economies will not become a serious problem in the future and have a material adverse impact on the Fund's investments.

Risk of errors and omissions in information. Companies in emerging markets are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is usually less publicly available information about an emerging markets' company than about a company in a developed country. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not be of the same standard as in more developed economies.

Investment and repatriation restrictions. A number of attractive emerging markets restrict, to varying degrees, foreign investment. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration or approval in some emerging market countries. The Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on securities held by the Fund or gains from the disposition of such securities. New or additional repatriation restrictions might be imposed subsequent to the Fund's investment.

Legal, tax and other regulatory risks. Legal, tax and regulatory changes could occur that may adversely affect the Fund and its investment results, or some or all of the Shareholders. Recent economic events have given rise to a political climate in many parts of the world that has resulted, and is expected to result further, in alternative investment management companies and private investment funds, such as the Fund, continuing to be subject to increased regulatory scrutiny and/or becoming subject to entirely new legal, tax or regulatory regimes, including in the United States, in

connection with the enactment of the Dodd-Frank Act as described above. The Fund may be adversely affected as a result of new or revised legislation, or regulations imposed by tax or governmental regulatory authorities or self-regulatory organisations that supervise the financial markets.

The Fund and/or some or all of the Shareholders also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by governmental authorities and self-regulatory organisations. It is not possible to determine the extent of the impact of any new or revised laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law and the consequences attendant thereto. In addition, as an Affiliate of Morgan Stanley, a regulated entity, the Fund's activities may be subject to any such new or revised laws, regulations or initiatives that may not be applicable to an investor unaffiliated with a regulated entity. Compliance with any new or revised laws or regulations could be more difficult and expensive and may have an adverse effect on the Fund and its Shareholders and/or the manner in which the Fund conducts business. New or revised laws or regulations may also subject the Fund or some or all of its Shareholders to increased taxes or other costs.

Each prospective investor should be aware that tax laws and regulations are changing on an ongoing basis, and such laws and regulations may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent, or transparent. Uncertainty in the tax law may require the Fund to accrue potential tax liabilities even in situations where the Fund and/or the Shareholders do not expect to be ultimately subject to such tax liabilities. Moreover, accounting standards and/or related tax reporting obligations may change, giving rise to additional accrual and/or other obligations.

Furthermore, changes in tax laws by foreign jurisdictions could result from base erosion and profit shifting ("**BEPS**") projects being undertaken by the OECD. The OECD, which represents a coalition of member countries, is contemplating changes to numerous international tax principles, which changes, if adopted by individual countries, could increase tax uncertainty and/or costs faced by portfolio companies and investors. The timing or impact of these proposals is unclear at this point.

The regulation of sustainability and ESG matters is a rapidly evolving area, with different ESG product categorisation, labelling and disclosures regimes emerging across the world. A Sub-Fund or its investments are, or could be, subject to such ESG regimes (including the SFDR), which may impact on how such Sub-Fund is categorised from an ESG or sustainability perspective in different jurisdictions, how such Sub-Fund operates and/or how such Sub-Fund deploys its capital or selects investments. Regulatory scrutiny of ESG matters has increased and ESG regulations (even if well established) and/or their interpretations are changing on an ongoing basis, particularly as the underlying science and general understanding of ESG matters increases. A Sub-Fund or its advisors may accordingly become subject to increased or more onerous ESG requirements (including with retroactive effect) which may impact on such Sub-Fund's eligibility, or continued eligibility, for specific ESG categorisations or labels, its investments or investment processes (among others).

Risks of Contracts. The enforceability of a contract is subject to uncertainty. If the other party of the contract denies the validity of a contract or refuses to perform its obligations under the contract, a Sub-Fund or a portfolio company may have difficulty in obtaining full and effective relief. Such uncertainty could have adverse impacts on the performance of such Sub-Fund.

Regulatory Approvals. The Fund may be required to obtain the consent or approval of applicable regulatory authorities in order to invest in particular investments. If the Fund is unable to obtain such consent or approval it may be unable to invest in such investments. An Investment could be materially

and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such Investment. Also, the business and operations of an Investment may be subject to certain restrictions as a result of the Fund's investment and the activities of Morgan Stanley. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances, or similar actions, may become applicable in the future due to a change in laws and/or regulations, a change in the Investment's customer(s) or for other reasons. There can be no assurance that an Investment will be able (i) to obtain all required regulatory approvals that may be required; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could negatively impact a portfolio company's business and operations, which may, in turn, adversely affect the Fund. See "—*Lack of Diversification*" below and "—*Legal, Tax and Other Regulatory Risks*" above.

There can be no assurance that (i) existing regulations applicable to portfolio companies will not be revised or reinterpreted; (ii) new laws or regulations will not be adopted or become applicable to portfolio companies; (iii) technology and equipment selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulation) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies. Any such events may adversely affect the Fund.

Absence of Regulatory Oversight. While the Fund may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act and, accordingly, Shareholders are not accorded the protections of the Investment Company Act. If for any reason the offering fails to meet the applicable conditions for exemption, the assets that the Fund could acquire or the timing of dispositions of such assets could be limited by the provisions of the Investment Company Act and any available exemptions or exclusions therefrom on which the Fund might rely. The Fund could, among other things, be required either (a) to change the manner in which it conducts its operations to avoid being required to register as an investment company or (b) to register as an investment company, either of which could have an adverse effect on the Fund. In addition, the Shares in the Fund have not been and will not be registered under the laws of any jurisdiction (including the Securities Act, the laws of any state of the United States or the laws of any non-U.S. jurisdiction) and are being offered in reliance upon an exemption from such laws. The Shares have not been recommended by any U.S. federal or state or any non-U.S. securities commission or regulatory authority (including the CSSF). Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus.

Currency risk. Currency risk is the risk that changes in currency exchange rates, with respect to a reference currency, will negatively affect securities denominated in, and/or receiving revenues in, currencies other than such reference currency. The liquidity and trading value of currencies could be affected by global economic factors, such as inflation, interest rate levels, fiscal deficits, trade balances among countries and other factors that may affect capital flows from or to one currency jurisdiction relative to others, as well as the actions of sovereign governments and central banks. Adverse changes in currency exchange rates (relative to the Reference Currency of a particular Share Class) may erode or reverse any potential gains from a Sub-Fund's investments in securities denominated in another currency or may widen existing losses. Additionally, because the reference

currency varies on a Share Class-by-Share Class basis, such risks will impact Share Classes differently. Volatility in currency exchange rates may result in volatility in calculations of Net Asset Value per Share, with respect to any Share Class, from month to month and during any time periods between the fixing of any Net Asset Value per Share and settlement.

Segregation of Sub-Funds. The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of a Sub-Fund may be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

Dependence on the Investment Manager and its personnel. The success of a Sub-Fund will be highly dependent on the expertise and performance of the relevant Investment Manager and its teams and investment professionals. There can be no assurance that these individuals will continue to be associated with the relevant Investment Manager throughout the life of such Sub-Fund. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of such Sub-Fund. In addition, although members of the relevant Investment Manager team will commit a significant amount of their business efforts to such Sub-Fund, they are not required to devote all of their business time to such Sub-Fund's affairs. They will continue to be involved with the relevant Investment Manager's other business activities, which may include advising on or managing investments for other funds and managed accounts sponsored, managed and/or advised by such Investment Manager.

A number of entities will compete with a Sub-Fund to make investments of the type that such Sub-Fund intends to make, and it is possible that competition for investments targeted by such Sub-Fund will increase over time. A Sub-Fund will compete with public and private funds, commercial and investment banks and commercial financing companies. Additionally, competition for investment opportunities generally has increased among alternative investment vehicles, such as hedge funds, including with respect to investments in which such Sub-Fund intends to invest. As a result of these new entrants, competition for investment opportunities has intensified and it is expected that this trend to continue.

Many of a Sub-Fund's existing and potential competitors are likely to be substantially larger and have considerably greater financial, technical and marketing resources than those available to the relevant Investment Manager. Some competitors, such as commercial banks, may have a lower cost of funds and access to funding sources that are not available to such Sub-Fund. In addition, some of a Sub-Fund's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than such Sub-Fund. Accordingly, the relevant Investment Manager may be unable to find a sufficient number of attractive opportunities to meet a Sub-Fund's investment objectives. Please also see "— Competition for access to investment opportunities" below.

In common with most investment managers, the compensation of the relevant Investment Manager's personnel contains significant performance-related elements. Poor investment performance for the relevant Investment Manager's balance sheet capital, the relevant Sub-Fund or other accounts managed or in respect of which portfolio management services are provided by the relevant Investment Manager may reduce the amount available to pay performance-related compensation to those personnel, which may result in those persons obtaining other employment. In that case, poor performance of such Sub-Fund may be further compounded by staff departures.

Sovereign immunity. The Articles of Association and Subscription Agreement are expressed to be governed by the laws of the Grand Duchy of Luxembourg and provide for disputes to be determined by the courts of the Grand Duchy of Luxembourg. The Fund is an international fund, and the Board of Directors may decide to admit Shareholders to the Fund notwithstanding that they may be established and based outside Luxembourg and may have either no assets or only limited assets in Luxembourg. Further, Shareholders admitted to the Fund may enjoy sovereign or other immunities and privileges under Luxembourg or foreign law or may claim to be restricted in their ability to submit to the jurisdiction of particular courts and tribunals, including those designated in the Articles of Association and Subscription Agreement. These factors may make it substantially more difficult for the Fund or other parties to enforce the contractual obligations of a Shareholder in the Fund, if necessary, by obtaining a judgment or arbitration award and by enforcing that judgment or award against the Shareholder's assets in Luxembourg or elsewhere.

Moral Risk of Professionals. A Sub-Fund may be faced with situations in which members of the relevant Investment Manager conduct immoral acts with respect to such Sub-Fund, especially in situations where such Sub-Fund fails to establish an effective incentive and restraint mechanism. For example, members of the relevant Investment Manager may conspire with a portfolio company to misappropriate a Sub-Fund's investment or achieve their personal Shares through investment made by such Sub-Fund or otherwise. The Board of Directors, the AIFM and the relevant Investment Manager will establish policies and/or procedures intended to prevent such acts, but they cannot completely prevent the risks caused by such misconduct. In addition, the employees and Affiliates of the Board of Directors, the relevant Investment Manager(s) and their respective Affiliates, partners and service providers may misappropriate a Sub-Fund's assets by conducting fraudulent acts. It may be difficult to discover such misappropriation of assets in time, and once discovered, there may not be sufficient legal remedy available in relevant jurisdictions, or the legal remedies available may be ineffective in the event that the assets or gains are irretrievable.

Conflicting interests of Shareholders. The Fund may comprise Investors from various jurisdictions with different tax status and treatment. Such Investors may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring of the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the AIFM and/or the Investment Manager, including with respect to the nature or structuring of investments, that may be more beneficial for one Investor than for another, especially with respect to Investors' individual tax situations. In selecting and structuring appropriate investments, the Investment Manager will consider the investment and tax objectives of the Fund and its Investors as a whole, rather than the investment, tax or other objectives of any Investor individually.

Listed Shares. The Shares of one or more Share Classes may be listed on a recognisable stock exchange (including, without limitation, the Luxembourg Stock Exchange) while other Shares Classes remain unlisted. Shareholders should therefore note that the holders of listed Shares will likely have greater access to liquidity through being able to freely transfer their Shares on the relevant stock

exchange during its market trading hours to a prospective purchaser with access to the exchange (including Shares subject to lock-up), as compared to holders of unlisted Shares which are generally not permitted to transfer their Shares unless they have prior consent from the Board of Directors (or its delegate) and so are generally reliant upon the redemption procedures set out in this Prospectus. The ability for Shareholders of listed Shares to freely trade such Shares on a stock exchange may, inadvertently, have an adverse effect on the ability of the holders of non-listed Shares to redeem, and therefore achieve liquidity, in respect of their Shares, including because: (i) prospective Shareholders who would have otherwise subscribed for Shares in the Fund may instead seek to acquire such listed Shares on such stock exchange (and may perceive such listed Shares to generally be more attractive given the market for transferability offered by Shares being listed on a stock exchange); and (ii) such listed Shares may attract different pricing at which they can be purchased or sold on such stock exchange to the pricing at which non-listed Shares can be subscribed and redeemed which may have the effect of increasing liquidity for those holding such listed Shares at the expense of those holding non-listed Shares, particularly in times of market stress or disruption. The AIFM and the Administrator shall be under no obligation to determine the Net Asset Value of any Sub-Fund or Share Class based upon any pricing for the exchange of Shares listed on any such stock exchange. More generally, such differences in liquidity may, along with other factors, including market expectations of the Sub-Fund's performance and demand for listed Shares from prospective Investors who otherwise would not be eligible to participate in the Sub-Fund, lead to differences in entry and exit prices of listed and unlisted Shares such that holders of unlisted Shares will generally be required to pay the applicable Net Asset Value per Share for Share subscriptions and receive the Net Asset Value per Share for Share redemptions whereas listed Shares may in certain circumstances be purchased by, or sold to, a third party for a comparatively higher price.

Investor knowledge and experience. An investment in the Fund is only suitable for Investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

A single Investor may control the Fund. A single Investor and its Affiliate may hold a majority (or greater proportion) of the Shares, as the context requires, and as such, would be capable, acting alone, of passing any resolution in relation to the Fund and/or a Sub-Fund requiring a majority (or greater proportion) of Shares, as applicable. Investors should be aware that any such Investor will not owe any duty of care to the interests of other Investors and will be entitled to exercise any votes attributable to its investment in the Fund solely in its own interests.

Involvement of Depositary, Administrator, and other Unaffiliated Services Providers. The Depositary, the Administrator and certain other services providers of the Fund are independent third-party organisations and are unaffiliated with Morgan Stanley. None of the Board of Directors, the AIFM or the relevant Investment Manager(s) can provide any guarantee that the Depositary, the Administrator, and such other unaffiliated services providers will comply with the terms on which they have been engaged and cannot guarantee that they will not breach the terms of the relevant services agreement, which could potentially negatively affect the Fund. The Depositary, the Administrator, and other unaffiliated services providers each act as a services provider for multiple funds for various clients in addition to the Fund and will thus be in the possession of confidential information in respect of each of those clients. The robustness of the Depositary's, the Administrator and such other

unaffiliated services providers' confidentiality procedures cannot be guaranteed; as such, there is a potential risk that confidential information in relation to the Fund may be disclosed, accidentally or otherwise, to third parties.

Depositary Delegation of Safekeeping and Conflicts of Interest. The Depositary may delegate the performance of its safekeeping functions, subject to the terms of the Depositary Agreement. However, the liability of the Depositary will not be affected by the fact that it has entrusted the safekeeping function to a third party. As part of the normal course of its business, the Depositary or the safekeeping delegate may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services.

Pursuant to the AIFMD, the Depositary must act in accordance with the best interest of the Investors. Potential conflicts of interest may arise as between the Fund and the Depositary in circumstances, where in addition to providing depositary services to the Fund, the Depositary or its Affiliates may also provide other services on a commercial basis to the Fund or to Morgan Stanley.

Please refer to section 5.5 (*Depositary*) of this Prospectus for further details of delegation by the Depositary and of how the Depositary identifies and manages conflicts of interest.

Reserves. Reserves may be set aside for actual or projected expenses, liabilities or other obligations, contingent or otherwise (including Management Fees). These reserves generally will be invested in money market funds or other short-term, liquid investments, including, without limitation, investments managed by the Investment Manager or its Affiliates. It is expected that these short-term, liquid investments will yield relatively low returns. As a result, the Shareholders' returns may be reduced if amounts are retained in reserves in lieu of being distributed. Where such reserves are held in cash and placed with a financial institution, the Fund will also be exposed to counterparty credit risk relating to that institution.

Distributions. There can be no assurance that the operations of the Fund, or any of its Sub-Funds, will be profitable, that the Fund, or any of its Sub-Funds, will be able to avoid losses or that cash from its investments will be available for distribution to the Shareholders. The Fund will have no source of funds from which to pay distributions to the Shareholders other than income and gain received on its investments and the return of capital.

Reinvestment. The Fund may, in respect of certain Sub-Funds, recall amounts from Shareholders or otherwise utilise investment proceeds for the purpose of reinvestment, details of which shall be set out in the relevant Supplement. As a result, the total investable capital of the Fund is expected to increase beyond the Total Commitments of the Fund and Shareholders may be required to contribute to the Fund amounts significantly in excess of their Commitment. If reinvested proceeds are lost, such loss would offset at least a portion of any gains that may have been realised from prior investments from the Fund, and it is possible that any such loss could exceed any such prior gains, thereby resulting in a possible loss of at least a portion of the Shareholders' investments in the Fund. In addition, proceeds may be recalled to repay indebtedness or satisfy other obligations of the Fund, which may be significant.

Long-term investment; limited redemption rights. An investment in the Fund should be regarded as a long-term commitment. An investment in certain of the Sub-Funds may not be suitable for an investor (including, in particular, a prospective retail Investor) who might be unable to sustain a long-term and illiquid commitment. Depending on the liquidity terms of the Sub-Fund as described in the relevant Supplement (if relevant), investors may not be able to redeem their Shares in a Sub-Fund or otherwise withdraw and there will be no active secondary market for such Shares. For Sub-Funds

which are closed-ended, Investors have no redemption right during the term of the Sub-Fund. Therefore, each Investor must be aware that it will not be entitled to withdraw capital or redeem its Shares in the Sub-Fund and should recognise that, in certain circumstances, it may not be able to liquidate its investment prior to the end of the Sub-Fund's term or liquidation period. Even where a Sub-Fund is open-ended, any redemption terms may come with significant limitations and restrictions. Therefore, each Investor should recognise that, in certain circumstances, it may not be able to liquidate its investment even in the case of an open-ended Sub-Fund. In addition, investors may be required to fund their entire subscriptions to a Sub-Fund in cash on acceptance of such subscription. Prospective investors are advised to seek professional advice from their investment adviser(s) on the suitability or otherwise of an investment in a Sub-Fund. By subscribing for Shares in a Sub-Fund a prospective investor represents that it is familiar with and understands the terms, risks and merits of an investment in a Sub-Fund, that it has such knowledge and experience in financial and business matters generally and that it is capable of evaluating the merits and risks of an investment in a Sub-Fund.

Limitation on transferability. An investment in the Fund requires a long-term commitment. There is no public market for the Shares and the Shares can only be transferred in limited circumstances set out in this Prospectus, the Articles of Association and as may be further set out in the relevant Supplement. Investors should recognise that, in certain circumstances, it may not be able to liquidate their investment prior to the end of the Fund's term or liquidation period. An Investor may not directly or indirectly sell, assign, encumber, grant a security interest in, mortgage or transfer its Shares in the Sub-Funds without the written consent of the Board of Directors or any person to whom such powers have been delegated by the Board of Directors, and transfers will be subject to certain conditions set forth in the Prospectus and Articles of Association. Investors may not withdraw capital or withdraw from the Sub-Funds prior to the termination of the Sub-Funds. Shares will not be registered for public sale under the Securities Act and the Sub-Fund has no intention of registering such Shares in the future. Such Shares may not be resold, transferred or otherwise disposed of by Investors except in compliance with the transfer restrictions contained in the Prospectus and the Articles of Association. The Board of Directors will not consent to any transfer that may result in any material adverse consequence to the Sub-Fund (or to its Investors generally). Prospective Investors should not invest in the Sub-Funds unless they are prepared to retain their Shares until the Sub-Funds liquidate. Even if the investments of the Sub-Funds prove successful, they may not produce a realised return to the Investors for a period of years. In addition, the Prospectus provides that the Board of Directors or any person to whom such powers have been delegated by the Board of Directors may establish appropriate reserves before distributing any income or gains. Accordingly, there can be no assurance as to the timing and amount of distributions from the Sub-Funds.

Allocation of investment opportunities. A Sub-Fund has established certain allocation targets with respect to investments within and outside certain regions. These target allocations are intended to provide Shareholders with an understanding of the Investment Manager's current investment strategy. However, due to a variety of factors, including prevailing market conditions and available opportunities, these targets may not be met, may change or may be exceeded. This may be the case particularly for a Sub-Fund due to the uncertainty of appropriate investment opportunities in the future. Investors should understand that these targets are not strict policies that the Investment Manager will necessarily follow and that the Investment Manager has flexibility to invest a Sub-Fund's assets as it sees fit.

Temporary departure from investment objective. Subject to applicable laws, where the ability to do so in respect of a Sub-Fund is disclosed in the relevant Supplement, when the Investment Manager anticipates adverse market, economic, political or other conditions, it may temporarily depart from a

Sub-Fund's investment objective and invest substantially in high-quality, short-term investments. This could help a Sub-Fund avoid losses but may also mean lost opportunities.

Leverage and credit facilities. Subject to certain limitations set forth in the Prospectus, a Sub-Fund may, from time to time, borrow or guarantee and/or secure indebtedness at the level of the Sub-Fund or at a subsidiary of the Sub-Fund on a secured or unsecured basis including for hedging purposes and/or otherwise in connection with the use of swaps, options, futures contracts, forward contracts and other derivative instruments.

In addition, the AIFM and the Investment Manager intend to evaluate whether it is prudent and appropriate to incur leverage and there can be no assurance that leverage will be incurred given that adverse economic factors, such as a significant rise in interest rates, may cause the AIFM, in its discretion, to elect not to incur such leverage.

The extent to which the Sub-Fund or a subsidiary (including an investment entity) uses leverage may have important consequences to the Shareholders including, but not limited to, the following: (a) greater fluctuations in the net assets of the Sub-Fund, (b) use of cash flow (including Contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes, (c) increased interest expense if interest rate levels were to increase, (d) in certain circumstances, prematurely disposing of investments to service the Sub-Fund's debt obligations, and (e) limitation on the flexibility of the Sub-Fund to make distributions to its Shareholders or sell assets that are pledged to secure the indebtedness. There can be no assurance that the Sub-Fund will have sufficient cash flow to meet its debt service obligations. As a result, the Sub-Fund's exposure to losses may be increased due to the illiquidity of its investments generally. In addition, the borrowings of a Sub-Fund may in certain cases be secured by the Commitments of the Shareholders and the other assets of a Sub-Fund, which may increase the risk of loss of such assets.

The economic performance of investments generally assumes financial leverage and structuring, which introduces potential risks regarding such assumptions and of potential refinancing. There is a risk that the current availability of project debt providers, tax equity investors or other sources of project finance will not continue in the future. Further, there is a risk that while such financing partners may be available, they will not participate at spreads or levels as have been assumed. Finally, in certain instances the financing obtained at the time of investment may not be available for the life of the asset. For example, if leverage with respect to an investment must be repaid, the investments may not be able to obtain new leverage to repay such leverage or, if it is able to obtain such new leverage, it may not be able to obtain it on terms that are as favourable as those it obtained with respect to the prior leverage. Therefore, there is a risk that, in the future, the financing market may materially change and impact the return on the Sub-Fund's investments.

Limited availability of information. Due to confidentiality concerns, portfolio entities generally will not permit a Sub-Fund to disclose information regarding the portfolio entity's investment strategies, investments, risks and/or performance. In addition, certain portfolio entities may provide limited or no information regarding their investment strategies or investments. Accordingly, in certain circumstances, Shareholders may not have, and a Sub-Fund may not be able to provide, sufficient information to evaluate to their full satisfaction the risks of investing in a Sub-Fund and the manner in which the capital they have contributed to a Sub-Fund has been invested. In addition, incomplete information may affect the valuations of investments, which may not be indicative of current or ultimate, realisable values.

Investment in shares or interests in underlying funds. In case of investment by a Sub-Fund in underlying funds, the investors of such Sub-Fund are subject to the risk of duplication of fees and

commissions. The ability of a Sub-Fund which invests in shares of an underlying fund to achieve its investment objective may be directly related to the ability of the underlying fund to meet their investment objectives. Sub-Funds which invest in underlying funds will be exposed to the risks to which the underlying funds are exposed. These risks may include liquidity risk where the ability of a Sub-Fund to meet the liquidity requirements of its investment is directly linked to the ability of the underlying funds to meet their liquidity requirements. The performance of a Sub-Fund will depend on the successful operation of the underlying funds in which a Sub-Fund invests, prevailing macroeconomic conditions, and other market conditions over which the Fund, the AIFM, and the Investment Manager will have no control. Returns generated from a Sub-Fund's investments may not adequately compensate Investors for the business and financial risks assumed, and an Investor may lose all or a part of its investment in a Sub-Fund.

Liquidity risk. Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption application due to its inability to dispose of investments. In certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices or subject to fair value appraisal disparity. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of a Sub-Fund to meet a redemption application.

Operational risk. Operational risk means the risk of loss for the Fund resulting from inter alia human error, system failures, and inadequate internal processes of the Fund, the AIFM and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

The Fund relies on the AIFM, the Investment Manager and their Affiliates to ensure there are appropriate systems and procedures to identify, assess and manage operational risk. These systems and procedures may not account for every actual or potential disruption of the Fund's operations but only for those where an appetite of risk has been set. Given the nature of investment management activities, operational risks are intrinsic to the Fund's operations, especially given the volume, diversity and complexity of transactions that the Fund is expected to enter into daily.

The Fund's control environment is highly dependent on the ability of the AIFM and its Affiliates to process, on a daily basis, transactions across numerous and diverse markets. Consequently, each Sub-Fund relies heavily on the AIFM's control environment which includes financial, accounting and other data processing systems. The ability of such systems to be scalable and adjust to the complexity of transactions could also constrain the ability of the Fund to properly manage its portfolio.

Systemic failures in the systems employed by the AIFM, the Investment Manager, the Depositary, the Administrator and/or counterparties, exchanges and similar clearance and settlement facilities and other parties could result in errors made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. These and other similar disruptions in operations may cause a Sub-Fund to suffer, among other impacts, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

Hedging Policies and Risks. Unless otherwise stated in the relevant Supplement, the Sub-Fund may employ hedging techniques designed to reduce the risk of adverse effects with respect to investments. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater, or gains smaller, than losses or gains, as the case may be, in the value of the underlying position. While the Fund may benefit from the use of hedging mechanisms, unanticipated changes in interest rates, currency exchange rates, credit defaults or securities prices may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. Additionally, such hedging transactions will add to the cost of the Investment, may require ongoing cash payments to counterparties, subject the Fund to the risk that the counterparty defaults on its obligations, and may produce different tax consequences to the Fund's Shareholders than would apply if the Fund had not entered into such hedging transactions. For example, hedging transactions may affect the timing of the recognition of gain or loss by the Fund, and income, gain, loss, or expense generated by a hedging transaction may be subject to different treatment (e.g., as capital gain or loss or ordinary income or loss) than applies to the income or loss generated by the Investment being hedged. In addition, hedging transactions and their associated requirements may negatively impact the liquidity position of the Fund, as cash payments to the financial institution counterparties may be periodically necessary for these transactions. Further, there can be no guarantee that instruments suitable to hedge market shifts will be available at the time the Fund wishes to use them.

Risks Associated with Derivative Instruments. To the extent provided in its Supplement, a Sub-Fund may, directly or indirectly, use various derivative instruments for hedging purposes, and may also use derivative instruments for investment purposes, including to approximate or achieve the economic equivalent of an otherwise permitted investment as if the Fund directly invested in such investments. Use of derivative instruments presents various risks. For example, when used for hedging or synthetic investment purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged or tracked may prevent the Fund from achieving the intended hedging effect or expose the Fund to the risk of loss. Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits imposed by regulators, exchanges, or other trade execution facilities on which the Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Fund to the potential of greater losses. Derivative instruments that may be purchased or sold by the Fund may include instruments not traded on an exchange or centrally cleared. Derivative instruments not traded on exchanges or centrally cleared are also not subject to the same type of government regulation as exchange-traded or cleared instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which the Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded or cleared instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange or similar trade execution facility. Additionally, when a company defaults or files for bankruptcy court protection, the use of derivative instruments may present special risks associated with the potential imbalance between the derivatives market and the relevant underlying debt, equity or other market. In such a situation, physical certificates representing such debt or equity may be required to be delivered to settle trades and the potential shortage of such actual certificates relative to the number of derivative instruments may cause the price of the actual certificated debt instruments to rise, which may adversely affect the holder of such derivative instruments. The stability and liquidity of derivative investments depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, the Fund will under most

normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in a loss to the Fund. Furthermore, there is a risk that any of such counterparties could become insolvent. Also, it should be noted that in entering into derivative transactions, the Fund may not have the right to vote on matters requiring a vote of holders of the underlying investment. Moreover, derivative instruments, and the terms relating to the purchase, sale or financing thereof, are also typically governed by complex legal agreements. As a result, there is a higher risk of dispute over interpretation or enforceability of the agreements. It should also be noted that the regulation of derivatives is evolving in the EU and outside of the EU and in other jurisdictions and is expected to increase, which could impact the Fund's ability to transact in such instruments and the liquidity of such instruments.

The Investment Manager may cause a Sub-Fund to take advantage of investment opportunities with respect to derivative instruments that are neither presently contemplated nor currently available, but which may be developed in the future, to the extent such opportunities are both consistent with the Fund's investment objectives and limitations and legally permissible. Any such investments may expose the Fund to unique and presently indeterminate risks, the impact of which may not be capable of determination until such instruments are developed and/or the Investment Manager determines to make such an investment.

Counterparty Risk. From time to time, certain securities markets have experienced operational clearance and settlement problems that have resulted in failed trades. These problems could cause the Fund to miss attractive investment opportunities or result in the Fund being liable to third parties by virtue of an inability to perform the Fund's contractual obligation to deliver securities or close transactions. In addition, delays, and inefficiencies of the local postal, transport and banking systems could result in missed rights and entitlements, the loss of funds (including dividends) and exposure to currency fluctuations. To the extent the Fund invests in securities, swaps, derivatives, or other over-the-counter transactions, in certain circumstances, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of transfer, clearance or settlement default. Transactions entered directly between two counterparties may expose the parties to the risk of counterparty defaults. Such risks may be exacerbated with respect to certain foreign securities or transactions with certain foreign counterparties. It is expected, but in no way assured, that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund and hence the Fund should not be exposed to credit risk with regard to such parties. Certain of the Fund's transactions may be undertaken through local brokers, banks, or other organisations in the countries in which the Fund may make investments, and the Fund will be subject to the risk of default, insolvency, or fraud of such organisations. The collection, transfer and deposit of bearer securities and cash expose the Fund to a variety of risks including theft, loss, and destruction. Finally, the Fund will be dependent upon the general soundness of the banking systems of these countries.

Information technology security. Each Sub-Fund is dependent on the relevant Investment Manager for investment management, operational and financial advisory services. Each Sub-Fund is also dependent on the AIFM and the relevant Investment Manager for certain management services as well as middle-office functions. The AIFM and the relevant Investment Manager depend on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the relevant Sub-Fund and its investments. In addition, certain of the AIFM's and the relevant Investment Manager's operations may interface with or depend on systems operated by third parties, including prime brokers, securities exchanges and other types of trading systems, market counterparties, custodians and other service providers. The AIFM and the

relevant Investment Manager may not be in a position to verify the risks or reliability of such third-party systems.

It is possible that a defect, failure or interruption of some kind which causes disruptions to these information technology systems including, without limitation, those caused by computer "worms," viruses and power failures could materially limit the AIFM's and the relevant Investment Manager's ability to adequately assess and adjust investments, formulate strategies and provide adequate risk controls. Any such information technology related difficulty could harm the performance of any of the Sub-Funds. For example, such failures could cause the settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades and cause inaccurate reports, which may affect the AIFM or relevant Investment Manager's ability to monitor the relevant Sub-Fund's investment portfolios and risks. Further, failure of the back-office functions of the AIFM or relevant Investment Manager to process trades in a timely fashion could prejudice the investment performance of the relevant Sub-Fund. Any of the foregoing or any failure of the back-office functions of the AIFM or relevant Investment Manager could adversely affect the relevant Sub-Fund.

Lack of diversification. Although the relevant Investment Manager will seek to create an investment portfolio consistent with the investment objectives of a Sub-Fund, the AIFM or relevant Investment Manager will be opportunistic in selecting investments for a Sub-Fund. There can be no assurance as to the degree of diversification that will be achieved by a Sub-Fund. A Sub-Fund intends to make investments in increasingly competitive markets, and therefore successfully sourcing investments may be problematic. A Sub-Fund may participate in only a limited number of investments and may seek to make several investments in a limited number of investment asset classes or geographical regions. Concentrated investment exposure by a Sub-Fund could magnify the other risks described herein. Furthermore, to the extent that the amount of capital raised via subscriptions is less than the targeted amount, a Sub-Fund may invest in fewer portfolio companies and thus be less diversified.

Disclosure of confidential information. Investors are expected to include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Fund, its investments and its Investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. To the extent that the Fund determines in good faith that, as a result of such public records or similar laws, an Investor or any of its Affiliates or agents may be required to disclose information relating to the Fund, its Affiliates and/or any investments, the Fund may withhold all or any part of the information otherwise to be provided to such Investor, in order to prevent any such potential disclosure. In addition, the Fund, the AIFM and/or the Investment Manager may be required by law, regulation, court judgment or otherwise to disclose information about Investors, including their identities.

16.2 Sustainability risks

Sustainable investments. Because certain Sub-Funds may focus on investments in companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices, the universe of investments of such Sub-Funds may be smaller than that of other funds and therefore the relevant Sub-Funds may underperform the market as a whole if such investments underperform the market. A Sub-Fund may forgo opportunities to gain exposure to certain companies, industries, sectors or countries and it may choose to sell a security when it might otherwise be disadvantageous to do so.

In addition, the AIFM and the Investment Manager are also aware of legislative reform programmes in various jurisdictions seeking to make environmental, social and governance concerns a key consideration for asset managers, including in relation to relevant investment activities. The practical

impact of the implementation of such legislative reforms is currently unknown, but it is expected that this will require the AIFM to adopt policies with respect to compliance with such requirements, including, where necessary, enhanced sustainability-related reporting and disclosure measures in relation to the Fund and its Sub-Funds.

Sustainability Risks. The value of a Sub-Fund's investments may be negatively impacted by actual or potential adverse environmental, social or governance events or conditions (each, a "**Sustainability Risk**"). The impact of a Sustainability Risk may vary depending on the specific risk, the region affected and the nature of such Sub-Fund's investment. In general, where a Sustainability Risk occurs, there will be a negative impact on the value of an investment which may, in certain cases, result in the entire loss of that investment's value. Sustainability Risks include, but are not limited to the following:

Transition risk. The risk posed by a Sub-Fund's exposure to issuers that may be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result from several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risks may negatively affect the value of investments by impairing assets or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Physical risk. The risk posed by a Sub-Fund's exposure to issuers that may be negatively affected by the physical impacts of climate change. Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Environmental risk. The risk posed by a Sub-Fund's exposure to issuers that may cause or be affected by environmental degradation and/or depletion of natural resources. Environmental risk may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems. Environmental risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Social risk. The risk posed by a Sub-Fund's exposure to issuers that may be negatively affected by social factors such as poor labour standards, human rights violations, damages to public health, data privacy breaches, or increased inequalities. Social risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Governance risk. The risk posed by a Sub-Fund's exposure to issuers that may be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflicts of interest, reputational damages, increased liabilities or loss of investor confidence.

When selecting and monitoring investments for a Sub-Fund, the relevant Investment Manager systematically considers these Sustainability Risks along with other risks relevant for such Sub-Fund taking into account its investment policy and strategy and to the extent that they represent a potential or actual material risk and/or an opportunity to maximising the long-term risk-adjusted returns.

16.3 **Risk of investments in private markets**

Competition for access to investment opportunities. The success of a Sub-Fund depends on the AIFM's and the relevant Investment Manager's ability to identify and select attractive investment opportunities, as well as the ability to acquire and manage those investments. Identifying the right investment opportunity is difficult and involves a high degree of uncertainty. As a result, there is no assurance that the Sub-Fund will be able to invest fully the capital committed to it by the relevant Shareholders, or that suitable investment opportunities will be identified, and the performance of such Sub-Fund may be adversely affected if the Sub-Fund is unable to identify and / or execute an appropriate volume of investment opportunities. Even if these investment opportunities are identified, the market for access to direct investments and secondary investments is extremely competitive and there is no assurance that a Sub-Fund will be able to complete sufficient investments to fully deploy its capital given the high level of investor demand some investment funds receive. Moreover, a Sub-Fund may be unable to invest in certain types of investments as a result of non-compete agreements or other similar undertakings made by other Affiliates of the AIFM. In addition, the AIFM or the relevant Investment Manager may not be able to obtain as favourable investment terms as it otherwise would in a less competitive investment environment. A Sub-Fund, the AIFM and the relevant Investment Manager may incur significant expenses investigating potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors.

In addition, a Sub-Fund's performance will be affected by the structure of the acquisition and the terms of the investment, including regarding tax, legal, regulatory and / or other considerations, over which it is expected that such Sub-Fund generally will have limited control, and such Sub-Fund may acquire an investment that contain terms that are disadvantageous to such Sub-Fund for legal, tax or regulatory reasons.

Numerous alternative asset sponsors have raised or are raising new capital for investments. We expect sponsors to continue to raise new capital for investments in the future. This has the effect of increasing competition for attractive investments and could make it more difficult for a Sub-Fund and the portfolio entities to successfully identify, structure and execute investments at attractive valuations or otherwise achieve their investment objectives.

Investment selection and due diligence process. The relevant Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The relevant Investment Manager may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. The relevant Investment Manager may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to the relevant Investment Manager by the issuers of the securities and other instruments or through sources other than the issuers. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Although the relevant Investment Manager evaluate all such information and data and seek independent corroboration when they consider it appropriate and when it is reasonably available, such relevant Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data. The due diligence investigation that such relevant Investment

Manager will carry out with respect to any investment opportunity may not reveal or highlight certain facts that could adversely affect the value of the investment.

Follow-On Investments; Risk of Dilution. A Sub-Fund may be called upon or may find it desirable to make follow-on investments to increase its investments in certain companies or to make investments in other issuers that help preserve, protect or enhance the value of an existing investment in a company. There can be no assurance that such Sub-Fund will want to make follow-on investments or that, if it does, that such Sub-Fund will have sufficient funds to do so or that such Sub-Fund will be permitted to do so pursuant to the Articles of Association or the Prospectus. Any decision not to make a follow-on investment or the inability to make one could potentially have a substantial negative impact on an investment. Moreover, to the extent that a Sub-Fund does not make a follow-on investment in a company, such company may seek capital from other investors. Any such arrangements with other investors could rank senior to, and/or cause the dilution of, such Sub-Fund's investment. There can be no assurance that a Sub-Fund will be able to predict accurately how much capital may need to be reserved by such Sub-Fund for participation in follow-on investments. If more capital is reserved than is necessary, then such Sub-Fund may receive a lower allocation of other investment opportunities, may not fully deploy its capital. If less capital is reserved than is necessary, then a Sub-Fund may not be able to fully protect or enhance its existing investment.

Non-controlling Investments. A Sub-Fund may, from time to time, acquire stakes in investment vehicles which are controlled by a third-party general partner, managing member or manager either from the date of initial investment or as a result of the original affiliated general partner, managing member or manager being replaced. Such investments are likely to involve risks not present in direct investments or other investments in which a fund holds a controlling interest. For example, such investments may not give the relevant Sub-Fund the ability to influence the management of the vehicle owning or operating the investment or to elect a representative to such vehicle's governing body. In addition, the management of the vehicle or its investors may have economic or business interests which are inconsistent with those of such Sub-Fund, and such third parties may be in a position to take action contrary to such Sub-Fund's investment objectives, which may adversely impact such Sub-Fund's investment performance.

A Sub-Fund may hold debt obligations and other non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect their positions in such portfolio companies. Although the AIFM or the relevant Investment Manager will monitor the performance of such Sub-Fund's investments, it primarily will be the responsibility of a portfolio company's management to operate the portfolio company on a day-to-day basis. However, the AIFM or the relevant Investment Manager intends to procure appropriate creditor and shareholder rights to help protect the relevant Sub-Fund's interest, but there can be no guarantee that any such rights may be obtained for individual investments will be sufficient to protect such Sub-Fund's interests in every situation.

Leverage of underlying assets. Certain underlying assets in one or more Sub-Funds may incur or bear significant amounts of leverage. The amount of a leveraged company's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, as well as the fees and other costs of borrowing may have a marked effect on a leveraged company's performance. These companies may be subject to restrictive financial and operating covenants. Leverage may also impair these companies' ability to finance their future operations and capital needs, or to make distributions to equity holders. As a result, these companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. An underlying asset with a leveraged capital structure will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy, or deterioration in the condition of that asset or its industry. In the event that an underlying asset is unable to generate

sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by a Sub-Fund in an underlying asset could be significantly reduced or even eliminated. Further, the inability to refinance the underlying asset's debt, because of market conditions or otherwise, can adversely affect the company and the ability to realise a Sub-Fund's direct or indirect interest in such underlying asset.

Private companies. Investments in private companies involve greater risks than investments in securities of companies that have traded publicly on an exchange for extended periods of time. Investments in these companies are generally less liquid than investments in securities issued by public companies and may be difficult for a Sub-Fund to value. Compared to public companies, private companies may have a more limited management group and limited operating histories with narrower, less established product lines and smaller market shares, which may cause them to be more vulnerable to competitors' actions, market conditions and consumer sentiment with respect to their products or services, as well as general economic downturns. In addition, private companies may have limited financial resources and may be unable to meet their obligations under their existing credit facilities (to the extent that such facilities exist), resulting in a greater likelihood of the dilution or subordination of a Sub-Fund's investment in such private company.

Additionally, there may be less information, and less reliable information, available in relation to private companies' business, management and earnings potential and other data criteria used to evaluate their investment prospects. Financial reporting obligations for private companies are not as rigorous as public companies, accordingly the information available may be less reliable and it may be difficult to fully assess the rights and values of certain securities issued by private companies.

Moreover, because securities issued by private companies are generally not freely or publicly tradable, a Sub-Fund will generally not have control over when it will be able to dispose of any securities issued by private companies or when it will have assets to distribute and the Sub-Fund may not be able to dispose of securities issued by private companies, or dispose of such securities on favourable terms, in either case, even at times when it deems it advisable to do so. Even if investments in the private companies of the Sub-Fund prove successful, they may not provide a realised return to the Shareholders for a period of years. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Sub-Fund.

Rate of Drawdowns. To the extent a Sub-Fund will follow a drawdown model, there can be no guarantee with regard to the amount or frequency of drawdowns of the Investors' respective Commitments.

Defaulting Investors; exclusion from investments or the Fund. Upon the failure of an Investor to fund the amount specified in the Capital Call Notice, the Investor may be treated as a Defaulting Investor. The Default Amount will accrue interest. In addition, the Fund may exercise a number of customary default remedies including (i) causing the Defaulting Investor to forfeit a portion of future distributions made by the Fund, (ii) causing the Defaulting Investor to be excluded from participating in future investments or (iii) causing a forced sale of the Defaulting Investor's Shares to any person.

Shortfalls arising from the Default of a Defaulting Investor will need to be covered by increasing the amounts other Investors will be required to fund, in which case, such Investors will have an increased share in such investments and the risks associated with such investments will be exacerbated for such Investors.

Co-investment. A Sub-Fund may co-invest with third parties through consortiums of private equity investors, joint ventures or other similar arrangements. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Sub-Fund, or may be in a position to take (or block) action in a manner contrary to the Sub-Fund's investment objectives, or the increased possibility of default by, diminished liquidity or insolvency of, the third party, due to a sustained or general economic downturn. In addition, the Sub-Fund may in certain circumstances be liable for the actions of its third-party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve incentive compensation and fees payable to such third-party partners or co-investors (in addition to the Management Fee and Carried Interest), which would reduce the Sub-Fund's returns with respect to such investments. Although a Sub-Fund will endeavour to obtain contractual rights to protect its interests in a portfolio entity, there can be no assurance that such rights will be available or that such rights, to the extent available, will provide sufficient protection of the Sub-Fund's interests. It is possible that, in connection with certain co-investments, a Sub-Fund will only be able to obtain rights relating to transfer (such as tag-along rights and registration rights).

As a co-investor, a Sub-Fund may have interests or objectives that are inconsistent with those of the lead private equity investors that generally will have a greater deal of control over such investments. In addition, in order to take advantage of co-investment opportunities, a Sub-Fund generally will be required to hold a non-controlling interest, for example, by becoming an investor in a co-invest vehicle that is controlled by a third-party portfolio manager offering the co-investment opportunity to the Sub-Fund. In this event, the Sub-Fund would have less control over the co-investment and may be adversely affected by actions taken by such third-party portfolio manager with respect to the portfolio entities and the Sub-Fund's investment in such portfolio entities. The Sub-Fund may not have the opportunity to participate in structuring co-investments or to determine the terms under which such investments will be made.

Co-investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-investor may at any time have economic or business interests or goals which are inconsistent with those of a Sub-Fund, may take a different view than that of the AIFM or the relevant Investment Manager as to the appropriate strategy for such investment, may be in a position to take action contrary to a Sub-Fund's investment objective or may become bankrupt or otherwise default on their obligations. This could potentially result in increased costs, delays or even termination of the proposed investment.

A Sub-Fund (alone or together with other investors) may be required to exercise day to day control of a portfolio entity with respect to some co-investments, which could expose a Sub-Fund to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

A Sub-Fund may also hold debt obligations in a portfolio entity and, in this instance, will have a limited ability to protect the Sub-Fund's position in such portfolio entity. It will be the responsibility of the management of the portfolio entity to operate the relevant portfolio entity on a day to day basis. There can be no guarantee that the AIFM and/or the relevant Investment Manager will be able to obtain any creditor rights for individual investments so as to sufficiently protect the Sub-Fund's interest in every situation.

Furthermore, by virtue of its relationship with other investors in any particular portfolio entity, a Sub-Fund may be deemed to be part of a control group and may be exposed to potential liabilities of a controlling person with respect to the portfolio entity, including liabilities for environmental damages, product defects, unfunded pension liabilities, failures to supervise management and violations of governmental regulations.

In connection with the disposition of co-investments, a Sub-Fund may be required to make representations and warranties about the business and financial affairs of the relevant portfolio entity typical of those made in connection with the sale of any business. A Sub-Fund may also be required to indemnify the purchasers of such portfolio entity to the extent that any such representations or warranties turn out to be inaccurate or misleading. These arrangements may result in liabilities for a Sub-Fund.

Specific risks related to co-investments are duly addressed by the conflicts of interest policy established by the AIFM in accordance with the AIFMD framework and, where applicable the ELTIF Regulation.

Identification and availability of investment opportunities. The success of a Sub-Fund depends on the identification by, and the availability of suitable investment opportunities to, the AIFM, the relevant Investment Manager and the sponsors or managers of any portfolio entity. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the AIFM and the relevant Investment Manager. Past returns of funds and separate accounts managed by the AIFM and the relevant Investment Manager or any of its Affiliates have benefited from investment opportunities and general market conditions (including favourable borrowing conditions in the debt markets) that may not reoccur or continue, and there can be no assurance that a Sub-Fund will be able to avail itself of comparable opportunities and conditions. There can be no assurance that a Sub-Fund will be able to identify sufficient, attractive investment opportunities to meet its investment objectives, or that it will otherwise be successful in implementing its investment objectives or avoiding losses (up to and including the loss of the entire amount invested). An investment in a Sub-Fund should only be considered by persons who can afford a loss of their entire investment. Past performance of investments associated with the AIFM and the relevant Investment Manager and/or its Affiliates is not necessarily indicative of future results, and there can be no assurance that a Sub-Fund will attain performance that is comparable to investment performance achieved by the AIFM and the relevant Investment Manager and/or its Affiliates for their other clients.

Investment vehicles. Investments of a Sub-Fund may be undertaken through one or several investment vehicles on a look-through basis, meaning that the investments provided at the level of the investment vehicle will be considered as being undertaken by the Fund itself for the Sub-Fund. A Sub-Fund's performance will be affected by the structure of the acquisition and the terms of investments, including legal, tax, regulatory and/or other considerations, over which a Sub-Fund is generally expected to have limited control. The relevant Investment Manager may believe an investment opportunity is a generally appropriate investment for a Sub-Fund even though the opportunity may have legal, tax or regulatory terms that are not for the benefit of a Sub-Fund. A Sub-Fund generally makes investments alongside other investors, funds and/or accounts whose investors may have different tax and/or regulatory attributes than the Shareholders. Therefore, a Sub-Fund may make an investment through a structure that may benefit some or all of the investors in such fund but be relatively disadvantageous to some or all of the Shareholders.

Risks associated with portfolio entities. The portfolio entities in which a Sub-Fund may invest (which includes any special purpose vehicles or other entities through which a Sub-Fund makes an investment) will sometimes involve a high degree of business and financial risk. Such portfolio entities

and/or their respective sponsors or managers may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may have a high level of leverage or may otherwise have a weak financial condition. In addition, portfolio entities and/or their respective sponsors and managers may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified managerial and technical personnel. In addition, during periods of difficult market conditions or slowdowns in a particular investment category, industry or region, portfolio entities may experience decreased revenues, financial losses, difficulties in obtaining access to financing and increased costs. During these periods, they may also have difficulty in expanding their respective businesses and operations and may be unable to service their outstanding obligations or pay expenses as they become due. A general market downturn or a specific market dislocation may adversely affect a Sub-Fund's investment performance. If the sponsor or manager of a portfolio entity determines that the continued participation of a Sub-Fund in the portfolio entity would have a material adverse effect on the portfolio entity or its assets, the portfolio entity may, among other things, terminate such interest in the portfolio entity or impose other penalties on a Sub-Fund.

Overcommitment. Certain Sub-Funds may make commitments to investments in excess of the total capital committed or subscribed to a Sub-Fund. As a result, in certain circumstances, a Sub-Fund may need to retain distributions from investments, borrow funds or liquidate some or all of their investments prematurely at potentially significant discounts to market value if a Sub-Fund does not generate sufficient cash flow from its investments to meet these commitments.

Risks associated with staged investments. A Sub-Fund may make investments that require multiple fundings over time or are structured as "revolvers" or "delayed-draws". These types of investments generally have funding obligations that extend over a period of time. In such circumstances, a Sub-Fund may be required to reserve capital for future funding obligations. However, there can be no assurance that the reserved funds will ultimately be utilised for investment, which may result in a Sub-Fund not fully deploying its capital.

Risk of delay in the deployment of capital. A Sub-Fund may anticipate accepting subscriptions whereby each subscription is required to be fully funded as of the settlement date relating to the relevant subscription when Shares are issued to the applicable Investor. Because a Sub-Fund may accept a large amount of capital as of any date a Sub-Fund accepts subscriptions, there may be a significant period of time before a Sub-Fund is able to invest all or substantially all of such Contributions. During any period in which a Sub-Fund's assets are not substantially invested in accordance with its principal investment strategies, a Sub-Fund's performance may suffer. Furthermore, the Board of Directors may determine to deploy subscription proceeds to fund redemptions, Sub-Fund expenses or other liabilities or obligations of a Sub-Fund, rather than deploy such proceeds for investment purposes.

Valuation risk. The overall performance of a Sub-Fund will depend in part on the acquisition price paid by a Sub-Fund for its investments, including secondary investments, and, where applicable, on the acquisition prices paid by portfolio entities for their investments. Valuation of the assets acquired by a Sub-Fund may be difficult, as there generally will be no established market for these assets or for securities of privately-held companies which the Sub-Fund may directly, or indirectly through portfolio entities, own. This difficulty is increased when purchasing a portfolio of interests in private funds, as the portfolio will lack the benefit of financial statements and periodic company updates originated from a common investment manager. As a result, the valuation of investments of a Sub-

Fund may be based on limited information and is subject to inherent uncertainties. The performance of a Sub-Fund will be adversely affected in the event the valuations assumed by the AIFM or by third-party sponsors in the course of negotiating acquisitions of investments prove to have been too high.

Furthermore, although the acquisition prices of a Sub-Fund's secondary investments will likely be the subject of negotiation with the sellers of the investments, the acquisition price of any secondary investment is typically determined by reference to the carrying values recently reported by the relevant sponsors and other available information. Sponsors are not generally obligated to update any valuations in connection with a transfer of interests on a secondary basis. As such, the Net Asset Value of a Sub-Fund may reflect significant gains or losses at the next Valuation Date after a secondary investment is made. A Sub-Fund, in pursuing secondary investments, also may face portfolio sales or other situations where, in order to make secondary investments considered desirable, a Sub-Fund is required to make other investments considered less desirable or for which it is less comfortable with the estimated valuations.

The valuations used by the AIFM will impact a Sub-Fund's Net Asset Value, the subscription price and the redemption price available to Shareholders and prospective investors. Valuations of investments used by the AIFM (and, accordingly, Net Asset Value per Share calculations used for subscriptions and redemptions) likely will not reflect the prices at which such investments are ultimately sold. Prospective investors and Shareholders must rely upon their own examination of, and ability to understand, the terms of investment in, and redemption out of, a Sub-Fund, including the valuation process involved, in making a decision to invest in, or redeem out of, a Sub-Fund.

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method in line with the AIFM's valuation policy. Such investments are inherently difficult to value and are the subject of substantial uncertainty. In connection with the foregoing and as described above in "Valuation and Net Asset Calculation," the AIFM may rely on underlying sponsors and/or retain the services of a third-party valuation firm. Notwithstanding the foregoing, there can be no assurance that valuations by the AIFM, underlying sponsors or third-party valuation firms will be accurate or up-to-date, or that third-party pricing or valuations will be available.

Furthermore, the Net Asset Value per Share will be determined based on the information available to the Administrator and the AIFM as of the applicable Valuation Date and, as such, may not reflect information subsequently received in connection with the preparation of any financial statements delivered to the Shareholders. As a result, the subscription price and redemption price for a given Valuation Date will differ from the ultimate determination made regarding the value of the Fund's assets as of such Valuation Date that is made subsequent to the Net Asset Value calculation date and reported in any financial statements. A Sub-Fund will not retroactively adjust any subscription price or redemption price to reflect amounts subsequently reported in any financial statements.

If the Net Asset Value per Share is overvalued or undervalued relative to the actual value of the assets, redeeming Shareholders may receive a redemption price that is too high or low, respectively, and new investors may pay a subscription price that is too high or low, respectively, and could result in dilution of existing Shareholders. Generally, neither redeeming Shareholders nor remaining Shareholders will have any recourse against a Sub-Fund, the AIFM, the relevant Investment Manager, the Board of Directors or any of their respective Affiliates if information available after a Valuation Date indicates that a prior Net Asset Value per Share was overvalued or undervalued.

Due to various factors, including without limitation, currency exchange rates, different Management Fee, Carried Interest, Incentive Allocation or Performance Fee rates amongst Share Classes, hedging gains and losses attributable to a particular Share Class, and expenses allocable to a particular Share Class, prospective investors and Shareholders should expect that the Net Asset Value per Share in respect of one Share Class will differ from the Net Asset Value per Share in respect of another Share Class, and that such divergences may grow over time. The Board of Directors may, but shall not be obligated to, pursue Share splits or conversions to reduce or eliminate such divergences. Furthermore, because the transactions used to effect currency hedging will be entered into by a Sub-Fund on behalf of one or more Share Classes, any such conversion will expose a Shareholder to the hedging exposure of the new Share Class, and the performance of such new Share Class may diverge materially from the performance of any other Share Class.

Third-party broken deal expenses. When a Sub-Fund agrees or indicates an interest to participate in a direct investment, secondary investment or other investment with a third party and such prospective investment is not consummated, there may nonetheless be significant costs, expenses and fees relating to such prospective investment ("**broken-deal expenses**"). Examples of broken-deal expenses include (i) research costs, (ii) fees and expenses of legal, financial, accounting, consulting or other advisers in connection with conducting due diligence or otherwise pursuing a particular non-consummated transaction, (iii) fees and expenses in connection with arranging financing for a particular non-consummated transaction, (iv) travel, entertainment, overtime meal and transportation costs, (v) deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, a particular non-consummated transaction and (vi) other expenses incurred in connection with activities related to a particular non-consummated transaction. In certain cases, the third party may have significant flexibility in allocating such costs, expenses and fees among a Sub-Fund and other potential investors. As a result, a Sub-Fund may be required to bear significant costs, expenses and fees in relation to unconsummated direct investments, secondary investments and other investments, including in some cases, amounts greater than its proportionate share would be based on its anticipated share of the prospective investment that was not consummated.

Risk of fraud. There is a risk that a sponsor or manager of any portfolio entity may knowingly, negligently or otherwise withhold or misrepresent information regarding the portfolio entity's performance or activities, including the presence or effects of any fraudulent or similar activities ("**Fraudulent Activities**"). Neither the AIFM, relevant Investment Manager, Board of Directors nor any of their respective Affiliates are expected to be in a position to monitor the accuracy of information provided by any such sponsor or manager, nor would they generally have the opportunity to discover such situations prior to the time such sponsor or manager discloses (or there is public disclosure of) the presence or effects of any Fraudulent Activities. Accordingly, neither the AIFM, relevant Investment Manager, Board of Directors nor any of their respective Affiliates can offer any assurances that portfolio entities or their respective sponsors or managers will not engage in Fraudulent Activities or that the AIFM, relevant Investment Manager, Board of Directors or any of their respective Affiliates will have the opportunity or ability to protect a Sub-Fund from suffering a loss because of such Fraudulent Activities.

Risks arising from the nature of the investment in private markets. Private markets investments typically display uncertainties which do not exist to the same extent in other investments (e.g. listed securities). Private markets investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or which are faced with restructuring etc. Any forecast of future growth in value may therefore often be encumbered with greater uncertainties than is the case with many other investments.

Further, private markets investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities. An investment in a Sub-Fund should be thought of as a long-term investment.

16.4 Risks Relating to Luxembourg / European collective investment vehicles

Compliance with European Anti-Money Laundering and Sanctions Requirements. In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the Board of Directors, the AIFM and the Administrator may request prospective and existing Shareholders to provide additional documentation verifying, among other things, such Shareholder's identity and source of funds used to purchase a Share in a Sub-Fund. The Board of Directors may decline to accept a subscription if this information is not provided or on the basis of such information that is provided. Requests for documentation and additional information may be made at any time during which a Shareholder holds a Share in a Sub-Fund. The Board of Directors and the AIFM may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances, without notifying the Shareholders that the information has been provided. The Board of Directors and the AIFM will take such steps as they determine are necessary to comply with applicable law, regulations, orders, directives, or special measures. Governmental authorities are considering implementing further anti-money laundering laws, and at this point it is unclear what further steps the Board of Directors may be required to take; however, these steps may include prohibiting such Shareholder from making further contributions of capital to a Sub-Fund, depositing distributions to which such Shareholder would otherwise be entitled to an escrow account and causing the withdrawal of such Shareholder from such Sub-Fund.

Without prejudice to the generality of the foregoing, all subscriptions for Shares in a Sub-Fund will be subject to applicable Anti-Money Laundering Laws (as defined below). In accordance with these provisions, the Board of Directors will implement policies and procedures, and, where applicable, perform or ensure that the Administrator performs detailed identification procedures and prospective investors, and Shareholders will be required to comply with such procedures in connection with their subscription for a Share. The Board of Directors and the Administrator reserve the right to request such information as is necessary to verify the identity of an investor, its beneficial ownership and its proxies and authorised signatories, to comply with Anti-Money Laundering Laws. In the event of delay or failure by the investor or Shareholder to produce any information required for verification purposes and/or to produce it to the Board of Directors' and the Administrator's satisfaction, the Board of Directors may refuse to accept the subscription and will not be liable for any interest, costs, or compensation. The Board of Directors will comply with the Anti-Money Laundering Laws on an on-going basis. Requests for documentation and additional information may be made at any time during which an investor or Shareholder holds Shares in a Sub-Fund. Failure to provide proper documentation may result in the withholding of distributions by such Sub-Fund and/or designating the Shareholder as being in default under the Articles of Association and applying to such Shareholder the provisions of the Articles of Association that are applicable to Defaulting Investors (as defined in the Articles of Association). Any information provided to the Board of Directors in this context is collected for anti-money laundering, anti-terrorism financing and international sanctions compliance purposes only.

"**Anti-money Laundering Laws**" shall mean the anti-money laundering and international sanctions rules and regulations in the jurisdictions in which a Sub-Fund conducts its activities and any related

or similar rules, regulations, or guidelines, issued, administered, or enforced by any competent governmental agency in such jurisdictions, including, without limitation:

(i) the Luxembourg law of 12 November 2004, as amended, relating to the fight against money-laundering and the financing of terrorism;

(ii) (b) the Luxembourg law of 19 December 2020 on the implementation of restrictive measures in financial matters, as amended;

(iii) the Luxembourg law of 13 January 2019, establishing a register of beneficial owners, supplemented by the Grand-ducal Regulation of 15 February 2019, on the registration, payment of administrative fees and access to information recorded in the register of beneficial owners and the Luxembourg law of 10 July 2020, establishing a register of *fiducies* and trusts;

(iv) the Luxembourg Grand-ducal Regulation of 1 February 2010, as amended, providing details on certain provisions of the amended law of 12 November 2004, on the fight against money laundering and terrorist financing; and

(v) the Luxembourg CSSF Regulation 12-02 of 14 December 2012, as amended, on the fight against money laundering and terrorist financing, and any applicable circulars of the competent Luxembourg authorities, pursuant to which obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes.

Luxembourg Register of Beneficial Owners. Currently, the Board of Directors expects that in order to comply with the RBE Law, the Fund will be required to (i) collect and hold information regarding its beneficial owners that are all natural persons who ultimately control such entity, as further described in the Anti-Money Laundering Laws (such beneficial owners, the "**Beneficial Owners**"), and (ii) file such information in respect of the Beneficial Owners with the Luxembourg register of beneficial owners (*registre des bénéficiaires effectifs,* the "**Luxembourg RBE**"). Certain information regarding the Fund's Beneficial Owners that is filed with the Luxembourg RBE may be available to certain members of the public unless such information qualifies for an exemption under the RBE Law. The Board of Directors, however, does not expect that information regarding the Beneficial Owners will qualify for any such exemption, and thus expects that the information may be made publicly available. For Luxembourg entities (including the Fund), non-compliance with the RBE Law may result in a criminal fine ranging from EUR 1,250 to EUR 1,250,000. A Shareholder that does not comply with its obligation to cooperate with the Board of Directors in respect of its compliance with the RBE Law may also be subject to a criminal fine ranging from EUR 1,250 to EUR 1,250,000. Because the RBE Law is relatively new, there is uncertainty as to how the RBE Law will be implemented and applied in the future. In addition, the Board of Directors interpretation of the RBE Law may change at any time. Accordingly, it is difficult to predict how the Fund will be affected by the RBE Law. Depending upon the Board of Directors interpretation of the RBE Law, the application of the RBE Law to the Fund may have certain unintended effects, such as increasing the administrative costs and operating expenses of the Fund incurred as a result of compliance with the RBE Law.

Risks Arising from the AIFMD. The Fund and each of the Sub-Funds are an 'EU AIF' (as defined in the AIFMD) that is managed by an 'EU AIFM' (as defined in the AIFMD). As a result, the relevant Investment Manager(s) and the AIFM are subject to certain requirements and restrictions under the AIFMD. These requirements have the potential to adversely affect the operations of the Sub-Funds, including by (i) affecting the range of investment and realisation strategies that the Sub-Funds are able to pursue, (ii) limiting the territories in which the Sub-Funds may seek investors, (iii)

disadvantaging the Sub-Fund vis-à-vis non-AIF competitors, and (iv) materially adding to the costs associated with compliance, monitoring and reporting. Restrictions on early distributions or reductions in capital in respect of EEA-based investments (so-called "anti-asset-stripping" rules) may limit the use of certain investment and realisation strategies, such as dividend recapitalisations and reorganisations by the Sub-Funds. Certain competitors of the Sub-Funds may not be subject to the AIFMD's requirements, with the result that the Sub-Funds may be at a relative disadvantage. The implementation of the AIFMD could also expose the relevant Investment Manager(s), the AIFM and/or the Fund and the Sub-Funds to disparate or conflicting regulatory requirements under the laws of other jurisdictions. The foregoing risks could adversely affect the performance of the Sub-Funds.

Further, AIFMD will be revised by way of an Amending Directive (commonly referred to as "**AIFMD II**") and compliance with AIFMD II has the potential to increase the cost and complexity of raising and managing capital. The key changes to the AIFMD regime that will be made under AIFMD II, which entered into force on 15 April 2024 and will take effect from 16 April 2026, include (at a high level): (i) new minimum substance requirements for EEA AIFMs; (ii) tightening of the requirements around delegation arrangements; (iii) new liquidity risk management requirements applicable, in particular, to open-ended funds; (iv) new rules applicable to loan origination funds, including the implementation of additional policies, procedures, investment restrictions and leverage limits on funds conducting loan origination activities; (v) increased disclosures, including pre-contractual and periodic disclosures; and (vi) changes to requirements for non-EEA AIFMs that wish to market AIFs to EEA investors under NPPR, including that the AIFM and the AIF must not be established in a jurisdiction that is identified as a "high-risk" third country under the European Anti-Money Laundering Directive (as amended), or that is included on the revised EU list of non-cooperative tax jurisdictions, and that the jurisdiction in which the AIFM and AIF are established must have signed an agreement meeting the standards set out in the OECD Model Tax Convention on Income and Capital, and which ensures an effective exchange of information in tax matters with the EEA jurisdiction where the Shares are to be marketed. Compliance with AIFMD II has the potential to increase the cost and complexity of the Fund's and the Sub-Funds' operations and exacerbate certain of the risks identified above.

The legislative steps taken under AIFMD II to regulate loan origination funds follows the publication of various communications by the European Securities and Markets Authority ("**ESMA**") in recent years, in which ESMA has recommended the establishment of a funds loan origination regime. Whilst the amendments to AIFMD to regulate loan origination by funds may facilitate loan origination in some European jurisdictions, it could also present new restrictions and costs for direct lending funds given, in particular, loan origination funds will be subject to (*inter alia*) new leverage limits, concentration limits, transparency requirements, a prohibition on originate-to-distribute activity, a retention requirement (where transferring loans that have been originated to a third party), lending restrictions and requirements for policies, procedures and processes for the granting of credit. Compliance with certain of the aforementioned requirements may impede a Sub-Fund's investment activity.

Potential Limitations on Investments. The AIFM provides, or shall ensure that another entity has been appointed to provide, such management and administrative services to each Sub-Fund pursuant to a contractual relationship with such Sub-Fund, as are necessary to ensure compliance with the AIFMD, including providing risk management services to such Sub-Fund and performing a supervisory role in relation to portfolio management services provided by the relevant Investment Manager. In performing such services, there may be a circumstance where the AIFM or its delegate determines that the relevant Sub-Fund is prohibited from making an investment, in which case, the Board of Directors may take certain steps to establish an alternative investment structure for such investment, but is under no obligation to do so.

Potential Regulatory Overlap. The Fund, the AIFM, the relevant Investment Manager(s), the Depositary, the Sub-Distributors and the other service providers to the Fund, may be subject to different laws and regulations, for reasons including, without being limited to, their jurisdiction of establishment and/or regulatory status. Therefore, various requirements arising from such laws and regulations and applicable to one or more of the aforementioned persons, and particularly the AIFM and the relevant Investment Manager(s), may in certain instances indirectly impose cumulative and/or contradictory obligations on the Fund, (the "**Regulatory Overlap**"). As a result thereof, the Fund, may be prohibited from making investments or taking other actions which may have been available in the absence of Regulatory Overlap. Although the Board of Directors, the AIFM and the relevant Investment Manager(s) may take certain steps to mitigate the loss resulting from the Regulatory Overlap, no assurance can be given as to the results of any such remedial action, which may have a material impact on the Fund's, performance. The Regulatory Overlap may also result in significant additional costs and expenses which will be borne by the Fund and may potentially materially reduce the Shareholders' returns. Prospective investors should consequently pay particular attention to the Regulatory Overlap and get acquainted with the applicable regulations including, without limitation, those described under this Prospectus.

European Market Infrastructure Regulation. Following the financial crisis of 2007 and 2008, the G20 agreed on a program for reforming OTC derivative trading consisting of (i) moving standardised OTC derivatives onto exchanges; (ii) clearing standardised OTC derivatives through central counterparties ("**CCPs**"); (iii) reporting OTC derivative contracts to trade repositories ("**TRs**"); and (iv) implementing risk mitigation techniques for non-centrally cleared OTC derivative contracts.

In the EU, the G20's program was implemented through the European Market Infrastructure Regulation ("**EMIR**"). EMIR introduced the following obligations for trading counterparties: (i) mandatory clearing of standard OTC derivatives; (ii) mandatory reporting to TRs; and (iii) mandatory risk mitigation techniques for non-centrally cleared trades.

EMIR forms part of the body of EU law retained in the UK by virtue of the European Union (Withdrawal) Act of 2018 ("**EUWA**"). An entity's obligations under EMIR depend on its categorisation, in particular, whether it is a "financial counterparty" or a "non-financial counterparty". A financial counterparty is broadly a firm authorised under one of the financial market directives e.g., an investment firm under the Markets in Financial Instruments Directive, and its accompanying regulation and regulatory technical standards ("**MiFID II**"), a credit institution, an insurance company, a UCITS fund, or an alternative investment fund manager. A non-financial counterparty is an entity established in the EEA which is not a financial counterparty.

Financial counterparties and non-financial counterparties are further divided into those which have entered into derivatives having a notional value above certain specified thresholds ("**FC+**" or "**NFC+**") and those which do not ("**FC-**" and "**NFC-**"). All financial counterparties are subject to certain risk mitigation techniques, including the margining requirements. Non-financial counterparties are also subject to risk mitigation techniques but are only subject to the margining requirements once exceeding one of the specified thresholds. Under MiFID II, since January 2018, certain classes of derivatives are also subject to a mandatory trading obligation. Of the classes of derivatives declared subject to the clearing obligation under EMIR, MiFID II requires such derivatives, or a subset of that class of derivatives, to be traded on approved trading venues, such as a regulated market (RM), a multilateral trading facility (MTF), an organised trading facility (OTF) or a third country trading venue deemed to be equivalent by the European Commission (the "**Commission**"). It is difficult to predict the full impact of these regulatory developments on the Fund. Prospective investors should be aware that the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the

costs of entering into derivative contracts and may adversely affect the Fund's ability to engage in transactions in derivatives including hedging transactions.

MiFID II. MiFID II came into force in member states of the EU on 3 January 2018. MiFID II is the product of a formal mandatory post-implementation review of its predecessor, known as "MiFID," which identified a need to update MiFID in respect of market developments, to adjust those provisions which failed to meet the original objectives and to encourage trading across all asset classes to migrate onto open and transparent markets. MiFID II forms the legal framework within which EU investment firms and trading venues operate, and pursuant to which third-country firms may provide investment services or activities in the EU. It thus has a substantial impact on the EU financial services sector, including asset managers, impacting the risk-taking behaviour of financial institutions and other market participants not just in the EU but also indirectly in the U.S. and otherwise globally. MiFID II has been retained and transposed into UK law by virtue of the EUWA ("**UK MiFID**", and together with MiFID II, "**MiFID**").

MiFID II introduced an extensive package of reforms through the adoption of a directive, a regulation, an implementing directive, numerous delegated regulations, and extensive guidelines. MiFID II requires investment firms to comply with more prescriptive and onerous obligations in relation to such things as: (i) investor protection standards, for example, extending product disclosure requirements originally aimed at protecting retail clients to professional clients and introducing new product governance requirements impacting the design and distribution of financial instruments, (ii) enhanced corporate governance standards, (iii) rules regarding the ability of asset management firms to receive and pay for investment research relating to all asset classes (extended in the UK to collective portfolio managers), (iv) enhanced regulation of algorithmic trading, (v) the movement of trading in certain shares and derivatives onto regulated execution venues, (vi) the extension of pre- and post-trade transparency requirements to wider categories of financial instruments, (vii) restrictions on the use of so-called dark pool trading, (viii) the creation of a new type of trading venue called the "Organised Trading Facility" for non-equity financial instruments, (ix) commodity derivative position limits and reporting requirements, (x) an enhanced role for ESMA in supervising EU securities and derivatives markets and (xi) new requirements regarding non-EU investment firms' access to EU financial markets. It is difficult to measure the direct and indirect impact of these extensive reforms on the Board of Directors, the relevant Investment Manager(s), and their Affiliates through their effect on pricing, liquidity, and transparency (in most asset classes) and on the research market. The additional costs of compliance with MiFID II and the indirect costs borne by the Fund through any trading conducted on the markets regulated under MiFID II will be borne, directly or indirectly, by the Fund. MiFID II may therefore adversely affect the returns that investors might otherwise have received from the Fund.

Changes in Data Protection Laws and Regulations. The AIFM, the relevant Investment Manager(s), the Board of Directors, their respective Affiliates and/or service providers and, in due course, certain of the Fund's investments (the "**Relevant Data Parties**," and each a "**Relevant Data Party**") may each receive, store, process and use personal information and other personal data. The GDPR, which was adopted on 25 May 2018, imposes more stringent EU data protection requirements, and assesses greater penalties for noncompliance. The UK has retained and transposed the GDPR into the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the body of law retained in the UK is referred to as the "**UK DPA**").

The UK DPA applies to (i) organisations that process the personal data of data subjects (natural persons) located in the UK in the context of the activities of an establishment in the UK and (ii) organisations outside the UK that offer goods or services to data subjects in the UK, or that monitor the behaviour of data subjects in the UK. For the purposes of the GDPR and the UK DPA, personal

data is information that can be used to identify a natural person, including a name, a photo, an email address, or a computer IP address.

Both the GDPR and the UK DPA provide greater protection for data subjects by requiring, amongst other things, personal data to be processed lawfully in a fair and transparent manner, to be collected for specified, explicit and legitimate purposes, and to be limited to what is adequate or necessary in relation to those purposes. Data controllers must be able to respond to the rights of data subjects, which includes the right of individuals to access their personal data, to seek to rectify inaccurate data, to have personal data erased where processing is no longer required, to seek to restrict the processing of their personal data, and to object to the processing of their personal data. Controllers and processors of personal data must implement appropriate technical and organisational measures to protect the rights of data subjects and ensure a level of security against loss, misuse, or unauthorised access. A personal data breach, which results in the likelihood of a risk to the rights of a data subject must be notified to an appropriate supervisory authority without undue delay; a breach with a high risk to the rights of a data subject must be notified to the data subject (also without undue delay).

Certain violations of either the GDPR or the UK DPA may result in administrative fines up to €20 million, or in the case of an undertaking, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Any failure by the Relevant Data Parties to comply with their privacy and data protection related obligations may result in significant liability, which could have an adverse effect on the reputation of the Relevant Data Parties and their business, thereby potentially having an adverse effect on investors in the Fund. The costs of compliance with, and other burdens imposed by the GDPR, the UK DPA and other applicable data protection laws will be borne (whether directly or indirectly) by the Fund in certain circumstances and may therefore affect any returns that would otherwise be available to investors in the Fund.

Further legislative evolution in the field of privacy is expected. The current ePrivacy directive also is expected to be repealed by the EU Commission's Regulation on Privacy and Electronic Communications (the "**ePrivacy Regulation**"), which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. The data protection regulations of other countries, such as Switzerland's Federal Data Protection Act of June 19, 1992, as amended which has been revised including more stringent provisions, may in certain circumstances apply to foreign companies and non-compliance with such regulations may be related to similar risks as those posed by the GDPR.

Compliance with current and future privacy, data protection and information security laws could significantly impact ongoing and planned privacy and information security related practices. This includes the collection, use, sharing, retention and safeguarding of personal data and some of the current and planned activities of the Fund, the Board of Directors, and the Investment Manager. A failure to comply with such laws could result in fines, sanctions, or other penalties, which could materially and adversely affect the operating results and overall business, as well as have an impact on reputation.

Electronic Signatures. Following the restrictions and teleworking recommendations introduced in connection with the COVID-19 outbreak, many people continue to lack access to printing facilities and seek to sign documents electronically. Although the use of electronic signatures has increased significantly since the beginning of the COVID-19 outbreak, the principles set out in this risk warning remain valid in all circumstances. Electronic signatures are generally a valid means of signing private deeds (*actes sous seing privé*) under Luxembourg law. However, if the validity of the electronic signature (and the validity or enforceability of the contract or its formation) is challenged, the burden

of proof will depend on the type of electronic signature used. Under Luxembourg law, only qualified electronic signatures ("**QES**") within the meaning of Regulation (EU) 910/2014 on electronic identification and trust services for electronic transactions in the internal market, as amended have the same legal effect as handwritten signatures. Although a signature shall not be denied legal effect and admissibility as evidence in legal proceedings before a Luxembourg court solely on the grounds that it is in an electronic form or that it does not meet the requirements for QES, only documents executed in wet ink or in QES benefit from the presumption of validity as handwritten signatures. The main risk associated with an electronic signature is therefore whether its validity as handwritten signature will be upheld by a Luxembourg court.

16.5 Risks Relating to Taxation

Taxation. The Fund or the Shareholders could become subject to unforeseen taxation in any jurisdiction in which the Fund or any of its subsidiaries operates, is managed, is advised, is promoted or invests. In addition, taxes incurred in such jurisdictions by the Fund, or its subsidiaries may not be creditable or deductible by the Fund, its subsidiaries, or the Shareholders in their respective jurisdictions. While it is intended that the activities of the Fund, the AIFM, the Investment Manager and any advisory office should not create a permanent establishment or other form of taxable presence of the Fund or any of its subsidiaries in any jurisdiction in which the Fund or any of its subsidiaries, or the AIFM, the Investment Manager or any advisory office, operates or invests, there is a risk that the relevant tax authorities in one or more of such jurisdictions could take a contrary view. If for any reason the Fund or any of its subsidiaries is held to have a permanent establishment or other such presence in any such jurisdiction, the Fund, such subsidiary, or the Shareholders could be subject to significant taxation in such jurisdiction. There may be changes in the tax laws or interpretations of tax laws in any jurisdiction in which the Fund or any of its subsidiaries operates, is managed, is advised, is promoted, or invests, that are adverse to the Fund, its subsidiaries, or the Shareholders. Changes to taxation treaties or interpretations of taxation treaties between one or more such jurisdictions and countries through which the Fund, any of its subsidiaries holds investments or in which a Shareholder is resident may adversely affect the Fund's ability to efficiently realise income or capital gains. Consequently, it is possible that the Fund or its subsidiaries may face unfavourable tax treatment in such jurisdictions that may materially adversely affect the value of the Fund's investments or the feasibility of making investments in certain countries.

It is expected that investors in the Fund may be resident, for tax purposes, in many different countries. Consequently, no attempt is made in the tax disclosures and risk factors contained in this Prospectus to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming, or otherwise acquiring or disposing of the Shares. The tax position of investors in the Fund may differ according to the investor's particular financial and tax situation.

There can be no assurance that the structure of the Fund or any investments by the Fund will be tax-efficient for any particular investor. No undertaking is given that amounts distributed or allocated to investors will have any particular characteristics or that any specific tax treatment will be enjoyed. Further, no assurance is given that any particular investment structure in which the Fund has a direct or indirect interest will be suitable for all investors and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the investors.

Prospective investors are urged to consult their own tax advisors with respect to their own tax situations and the effects of an investment in the Fund. None of Morgan Stanley, the Fund, the Investment Manager, the AIFM, any of their Affiliates, or any officer, director, member, partner, employee, adviser, or agent of any of them or their respective advisors takes or can take any responsibility for providing advice to any investor in this regard.

FATCA. Under the Foreign Account Tax Compliance Act ("**FATCA**"), all entities in a broadly defined class of foreign financial institutions ("**FFIs**") must comply with a complicated and expansive reporting regime or be subject to a 30% U.S. withholding tax on certain U.S. source payments and non-U.S. entities which are not FFIs must either certify they have no substantial U.S. beneficial ownership or report certain information with respect to their substantial U.S. beneficial ownership or be subject to a 30% U.S. withholding tax on certain U.S. source payments. FATCA also contains complex provisions requiring participating FFIs to withhold on certain "foreign passthru payments" made to nonparticipating FFIs and to holders that fail to provide the required information. The definition of a "foreign passthru payment" is still reserved under the current regulations, however the term generally refers to payments that are from non-U.S. sources but that are "attributable to" certain U.S. source payments and gross proceeds described above. Under proposed regulations on which taxpayers may rely, withholding on these payments is not set to apply before the date that is two years after the date of publication of final U.S. Treasury regulations that define "foreign passthru payments" are published. In general, non-U.S. investment funds, such as the Fund, are expected to be considered FFIs. The reporting obligations imposed under the legislation require FFIs to enter into agreements with the IRS to obtain and disclose information about certain investors to the IRS, or, if subject to an intergovernmental agreement ("**IGA**"), register with the IRS. IGAs are generally intended to result in the automatic exchange of tax information through reporting by an FFI to the government or tax authorities of the country in which such FFI is domiciled, followed by the automatic exchange of reported information with the IRS. In the event FFIs are unable to comply with the preceding reporting requirements, certain payments made to FFIs may be subject to a U.S. withholding tax, which would reduce the cash available to investors in the Fund. Further, these reporting requirements may apply to underlying entities through which the Fund invests, and the Fund may not have control over whether such entities comply with the reporting regime. Such withheld amounts that are allocable to a Shareholder may, in accordance with the Articles of Association, be deemed to have been distributed to such Shareholder to the extent the taxes reduce the amount otherwise distributable to such Shareholder. Prospective investors should note that they will be required to provide information to the Fund to comply with FATCA (including completing certain self-certification forms to comply with the Common Reporting Standard) and should consult their own tax advisors regarding all aspects of FATCA as it affects their particular circumstances.

Value Added Tax ("VAT"). Under current law and practice it is not expected that Luxembourg VAT will be levied on the management services supplied to (and for) the Fund. However, in the event of a change of law or practice, any VAT levied on the remuneration for fund management services or on a component of such remuneration may represent an absolute cost for the Fund, which would reduce the funds available to make distributions. If VAT is chargeable on the payments made in consideration of the management services, the Board of Directors intends to minimise the effect of such VAT so far as it considers reasonably practicable. However, there can be no assurance that it would be possible to mitigate or eliminate such VAT cost.

BEPS and Anti-Tax Avoidance Directives. The OECD together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**"), through 15 actions detailed in reports released on 5 October 2015 and through the Inclusive Framework on a global consensus solution to reform the international corporate tax system via a two-pillar plan agreed in 2021 ("**BEPS 2.0**").

As part of the BEPS project, new rules dealing with, inter alia, the abuse of double tax treaties, the definition of permanent establishment, controlled foreign companies, restriction of the deductibility of excessive interest payments, and hybrid mismatch arrangements have been or will be introduced into the respective domestic laws of members of the BEPS project (i.e., by means of European directives and multilateral instruments).

The Council of the EU adopted two Anti-Tax Avoidance Directives (Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("**ATAD II**")) that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented into Luxembourg domestic law by the law of 21 December 2018 (the "**ATAD I Law**") and the law of 20 December 2019 (the "**ATAD II Law**"). Most of the measures have been applicable since 1 January 2019 and 1 January 2020, respectively, while the reverse hybrid rules have been applicable as from tax year 2022. These measures may significantly affect returns to the Fund and the Shareholders.

On 22 December 2021, the European Commission issued a proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes within the EU ("**ATAD III**"). The draft ATAD III rules aim to introduce an EU-wide substance test to facilitate the identification of undertakings that perform no or minimal economic activity, do not have a minimum level of substance and are misused to obtain tax advantages (so-called "shell companies"). The draft rules also provide for specific tax consequences for undertakings that have insufficient substance under ATAD III. ATAD III is expected to be adopted in the coming months. However, there is significant uncertainty as to the development of the draft ATAD III and its implementation into domestic law. This could result in additional reporting and disclosure obligations within the Fund structure and/or affect returns to the Fund and the Shareholders.

The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by implementing results from the BEPS project in more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. Luxembourg ratified the MLI through the Luxembourg law of 7 March 2019 and deposited its instrument of ratification with the OECD on 9 April 2019. As a result, the MLI entered into force for Luxembourg on 1 August 2019. Its application to each individual double tax treaty concluded by Luxembourg depends on ratification by the other contracting state and on the type of tax concerned. The resulting changes and any other subsequent changes to tax treaties negotiated by Luxembourg may significantly affect returns to the Fund and the Shareholders.

BEPS 2.0 has two parts, known as Pillar I and Pillar II, which seek to address the tax challenges arising from the digitalisation of the economy, and would apply to large multi-national enterprises ("**MNE**"). Pillar I aims to introduce a mechanism for the reallocation of taxing rights to market jurisdictions (i.e., jurisdictions in which goods or services are supplied or consumers are located). The OECD is targeting 2023 for the implementation of Pillar I and the detail of this initiative (and therefore its effect on the Fund and on the Shareholders' return on investment) is subject to change and currently remains subject to significant uncertainty.

In December 2021, following a Pillar II agreement signed by more than 135 jurisdictions in October 2021, the OECD published final model rules for a global minimum tax (the "**GloBE rules**"). The GloBE rules aim to ensure that large MNE groups pay a minimum level of tax on the income arising in each of the jurisdictions where they operate, by imposing a top-up tax whenever the effective tax rate, determined on a jurisdictional basis, is below the minimum rate of 15%. Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (the "**Directive**") builds on the GloBE rules and will apply to any MNE group which has an annual revenue of EUR 750,000,000 or more, including the revenue of excluded entities, in its ultimate parent entity's consolidated financial statements in at least two of the four fiscal years immediately preceding the tested fiscal year and with either a parent entity or a subsidiary located in an EU Member State. Certain entities are excluded

from the scope of the Directive, including, for example, investment entities that are ultimate parent entities and certain entities owned by these excluded entities. Member States must implement the Directive in their domestic laws by 31 December 2023, with the income inclusion rule ("**IIR**") (i.e., the collection by the parent entity of an MNE located in a Member State of its share of top-up tax relating to any entity of the group that is low-taxed) entering into effect for fiscal years beginning from 31 December 2023, and the undertaxed profit rule ("**UTPR**") (i.e., the reallocation of any residual amount of top-up tax in cases where the entire amount of top-up tax could not be collected by the parent entity through the IIR) entering into effect for fiscal years beginning from 31 December 2024. Effective tax rates could increase within the Fund's structure (if in scope) due to higher amounts of tax being due or possible denial of deductions. Costs of tax compliance may also increase. This could adversely affect any returns to the Shareholders.

17. SELLING RESTRICTIONS

The distribution of this Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may (in addition to those restrictions under the laws of various jurisdictions described herein) be restricted or prohibited by law. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence and domicile with respect to the acquisition, holding or disposition of the Shares. Copies of this Prospectus distributed to investors in a particular jurisdiction may include an additional notice regarding the offering and sale of the Shares in that jurisdiction, which notice, if included, will be annexed to this Prospectus.

SUB-FUND SUPPLEMENT 1

SUPPLEMENT

IN RELATION TO THE PROSPECTUS OF **CABOT S.A. SICAV**

RELATING TO THE SUB-FUND **MORGAN STANLEY EUROPEAN PRIVATE INCOME FUND**

(hereinafter the "**Sub-Fund**")

Important Notice

This Supplement summarises selected features of the Sub-Fund in table format. Shareholders are strongly recommended to carefully read this Supplement in conjunction with the general part of the Prospectus and the Articles of Association and to seek professional advice.

The Board of Directors acting with respect to the Sub-Fund will only be liable for the description in this Supplement to the extent it is misleading, incorrect or inconsistent when read together with the aforementioned documentation.

This Supplement may be translated into other languages. Any translation shall contain the same information and have the same meaning as the English language Supplement. To the extent that there is any inconsistency between the English language Supplement and the Supplement in another language, the English language Supplement will prevail. Any further country specific information which is required as part of the offering documents in a particular country will be provided in accordance with laws and regulations of that country.

SHAREHOLDERS ARE SPECIFICALLY REFERRED TO THE RISK FACTORS IN THE GENERAL PART OF THE PROSPECTUS AND IN THIS SUPPLEMENT.

Shareholders will be offered to subscribe for Shares in the Sub-Fund pursuant to the Subscription Agreement, which will be governed by Luxembourg law. In the Subscription Agreement, each Shareholder declares that it has read and understood the aforementioned documentation or that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Shareholder confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto) and the Articles of Association.

Participation in the Sub-Fund is associated with intricate tax and regulatory matters that may differ from Shareholder to Shareholder. Each Shareholder is advised to clarify the actual tax and regulatory effects with its personal tax and legal adviser.

The shares of the Sub-Fund are subject to certain restrictions on transfers and redemption. Please refer to section (*Redemptions and Liquidity)* below for more information. In particular, investors should note that, although in normal circumstances, the Sub-Fund provides for quarterly liquidity, the Sub-Fund offers only limited redemption rights and, in particular, redemptions may be capped in case of redemption requests exceeding certain amounts (5% of Net Asset Value per calendar quarter) and an early repayment deduction may apply (2% of the Net Asset Value of the Shares redeemed) for Shares held for less than one year.

Any enquiries regarding this Supplement should be directed to:

Morgan Stanley European Private Income Fund
c/o MaplesFS (Luxembourg) S.A.
12E, rue Guillaume Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

DEFINITIONS AND INTERPRETATION

The following definitions which are specific to the Sub-Fund as well as the definitions of the general part of the Prospectus are applicable to this Supplement and have the meaning as described respectively below and in the general part of the Prospectus.

Accumulation Share Classes	has the meaning set forth in section (*Share Classes*) of this Supplement.
Affiliated Investment Accounts	any Morgan Stanley sponsored, organised, managed and advised alternative investment funds, investment vehicles, funds-of-one, separately managed accounts (including, in each case, those that seek to pursue a similar investment strategy to the Sub-Fund), and investment programs or businesses together with any new or successor funds, programs or businesses.
aggregate investment limit	has the meaning set forth in section (U*.S. Dodd-Frank Act and Volcker Rule*) of this Supplement.
Applicable Hedging Transactions	has the meaning set forth in section (*Hedging*) of this Supplement.
BHC Investor	any Shareholder who is subject to regulation under the BHCA.
BHCA	the U.S. Bank Holding Company Act of 1956, as amended.
Class F Subscription Termination Date	has the meaning set forth in section (*Share Classes*) of this Supplement.
Credit Fund Exclusion	has the meaning set forth in section (*U.S. Dodd-Frank Act and Volcker Rule*) of this Supplement.
Direct Loans	a diversified and defensive portfolio of privately negotiated, senior secured term loans.
Discretionary Expense Cap	has the meaning set forth in section (*Other Costs*) of this Supplement.
Distributable Income	has the meaning set forth in section (*Distributions and Reinvestment*) of this Supplement.
Distribution Share Classes	has the meaning set forth in section (*Share Classes*) of this Supplement.
Dodd-Frank Act	the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended.

DPC	has the meaning set forth in section (*U.S. Dodd-Frank Act and Volcker Rule*) of this Supplement.
Eligible Investors	has the meaning set forth in section (*Eligible Investors*) of this Supplement.
ERISA	the U.S. Employee Retirement Income Security Act of 1974, as amended.
ESG Threshold	has the meaning set forth in Annex V (*Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*) of this Supplement.
ESRM	Morgan Stanley Environmental and Social Risk Management Team.
Fee Holiday Date	has the meaning set forth in section (*Incentive Fee*) of this Supplement.
First Closing	has the meaning set forth in section (*First Closing / Subscriptions*) of this Supplement.
First Closing Date	has the meaning set forth in section (*First Closing / Subscriptions*) of this Supplement.
Fund	Cabot S.A. SICAV.
Global Distributor	has the meaning set forth in section (*Global Distributor; Sub-Distributors*) of this Supplement.
Incentive Fee	has the meaning set forth in section (*Incentive Fee*) of this Supplement.
Incentive Fee Recipient	has the meaning set forth in section (*Incentive Fee*) of this Supplement.
Independent Person	has the meaning set forth in section (*Investment Warehousing and Seed Capital*) of this Supplement.
Investee Company	has the meaning set forth in section (*Investment Limitations*) of this Supplement.
Investment Manager	Morgan Stanley Investment Management Ltd, an English limited company which is authorised and regulated by the UK Financial Conduct Authority and is registered as an investment adviser under the Advisers Act, as amended.
Investment Restrictions	has the meaning set forth in section (*Investment Limitations*) of this Supplement.

Investments	Regular Liquid Assets together with Private Investments.
Liquidity Investments	investments in broadly syndicated senior secured floating rate loans, bonds and other secured and unsecured debt instruments that may be issued by sub-investment grade corporations (that may be rated below investment grade credit quality ("BB+"/"Ba1" or below) or, if not rated, are in the determination of the relevant Investment Manager of equivalent credit quality) with a focus on "performing" issuers, with strong competitive market positions that generate relatively predictable streams of free cash flow, including Newly Issued Loans with such characteristics.
Management Fee	has the meaning set forth in section (*Management Fee*) of this Supplement.
Morgan Stanley Related Persons	has the meaning set forth in section (*Allocation of Investment Opportunities*) of this Supplement.
MS Base Commitment	has the meaning set forth in section (*Morgan Stanley Investment*) of this Supplement.
Newly Issued Loans	newly issued loans that the Sub-Fund may purchase in connection with a restructuring or liability management exercise of an existing Liquidity Investment and arising only from the Sub-Fund's existing exposure to a credit with respect to such Liquidity Investment including, but not limited to, debtor-in-possession loans, exit loans and new money loans.
Organisational Expenses	has the meaning set forth in section (*Costs of setting up the Sub-Fund*) of this Supplement.
Other Liquid Assets	cash deposits, money market instruments and other cash-equivalents and liquid assets for liquidity management purposes.
per-fund limit	has the meaning set forth in section (*U.S. Dodd-Frank Act and Volcker Rule*) of this Supplement.
Pre-Incentive Fee Net Investment Income Returns	has the meaning set forth in section (*Incentive Fee*) of this Supplement.
Private Investments	Subordinated Investments together with the Direct Loans.
Ramp-Up Period	has the meaning set forth in section (*Investment Limitations*) of this Supplement.
Redemption Cap	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.

Redemption Cut-Off Date	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Redemption Date	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Redemption Period	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Regular Liquid Assets	Other Liquid Assets together with the Liquidity Investments.
Scorecard	has the meaning set forth in section (*Sustainability-Related Disclosures*) of this Supplement.
Senior Payment Items	has the meaning set forth in section (*Distributions and Reinvestment*) of this Supplement.
Servicing Fee	has the meaning set forth in section (*Distribution Costs*) of this Supplement.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.
Sub-Distributor	has the meaning set forth in section (*Global Distributor; Sub-Distributors*) of this Supplement.
Sub-Fund	Morgan Stanley European Private Income Fund, a sub-fund of the Fund.
Sub-Investment Manager	Eaton Vance Management, which is a registered investment adviser under the Advisers Act and is regulated by the SEC.
Subordinated Investments	subordinated debt instruments, including second lien or mezzanine, unsecured debt, and (in connection with investments in debt and debt-related instruments) equity or equity-like investments.
Subscription Amount	has the meaning set forth in section (*Subscription Amounts*) of this Supplement.
Tax Advance Amount	has the meaning set forth in section (*Incentive Fee*) of this Supplement.
Total Portfolio Value	the total value of the assets of the Sub-Fund calculated without deducting any existing liabilities from the value of such assets.
Valuation Day	has the meaning set forth in section (*Net Asset Value Calculation, Publication and Valuation Day*) of this Supplement.

Valuation Policy		has the meaning set forth in section (*Valuation Methodology*) of this Supplement.
Valuation Support Agreement		has the meaning set forth in section (*Valuation Methodology*) of this Supplement.
Volcker Rule		Section 619 of the Dodd-Frank Act and the implementing regulations promulgated thereunder.
Warehouse SPV		has the meaning set forth in section (*Investment Warehousing and Seed Capital*) of this Supplement.

The Supplement

Sub-Fund	Morgan Stanley European Private Income Fund (the "**Sub-Fund**"), a sub-fund of Cabot S.A. SICAV (the "**Fund**").
Term of the Sub-Fund	The Sub-Fund is open-ended and shall continue for an unlimited period of time, unless put into liquidation in certain specified circumstances in accordance with the Articles of Association, including as described in section (*Liquidation*) below.
Investment Manager and Sub-Investment Manager	Morgan Stanley Investment Management Ltd, an English limited company which is authorised and regulated by the UK Financial Conduct Authority and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "**Investment Manager**"), will be appointed as delegated portfolio manager with respect to all Investments (as defined below) and, subject to permitted sub-delegation of its management functions with respect to specific investments as further described below, will perform the day-to-day portfolio management of the portion of the Sub-Fund's investment portfolio comprising the Private Investments and Other Liquid Assets (each as defined below). The Investment Manager shall sub-delegate, under its responsibility, the management of the portion of the Sub-Fund's investment portfolio comprising the Liquidity Investments to Eaton Vance Management (the "**Sub-Investment Manager**"). Notwithstanding such sub-delegation, and pursuant to the Investment Manager's ongoing supervision of, and responsibility for, the Sub-Investment Manager, the Investment Manager may also exercise certain of its portfolio management functions and powers with respect to Liquidity Investments. Where the context requires, in respect of the Liquidity Investments only, a reference to the Investment Manager in this Supplement shall be read as including a reference to the Sub-Investment Manager. The Investment Manager and Sub-Investment Manager will have full discretion and be responsible for making portfolio management decisions for the Sub-Fund, including conducting due diligence, analysing, structuring, and negotiating potential investments, monitoring the performance of investments, incurring leverage and other indebtedness and making all investment and disposition decisions for the Sub-Fund, as well as providing certain administrative services to the Sub-Fund, subject to the supervision of the AIFM. The Investment Manager and Sub-Investment Manager (as relevant) will be responsible for reviewing and approving investments, monitoring and harvesting investments, assisting in determining the valuation of such investments, and making related investment management decisions; making investment allocation decisions; determining the amount and timing of distributions; considering / making determinations in respect of certain potential conflicts of interest and determining whether to present such matters and / or certain other matters to the Shareholders; negotiating and entering into side letters or other similar agreements with Shareholders; and making certain other material decisions on behalf of the Sub-Fund as are required and have been delegated to them.

	The Investment Management Agreement can be terminated by the AIFM or the Investment Manager subject to and in accordance with its terms. The Investment Management Agreement may also be terminated with immediate effect if the AIFM reasonably determines that it is in the best interests of the Shareholders in accordance with the requirements of the AIFM Laws and Regulations. In addition, the Investment Management Agreement will automatically be terminated upon the removal of all or a majority of the Board of Directors by a decision of the Shareholders taken in accordance with the rules laid down in the Articles of Association and the Prospectus. The Investment Manager may be entitled to be indemnified and held harmless out of the assets of the Sub-Fund, as an Indemnified Person, in respect of any Claims and Expenses, other than those which resulted from Disabling Conduct. Please refer to section 5.10 (*Indemnification*) in the Prospectus for further details. Under the Investment Management Agreement, (i) with respect to all securities held by the Sub-Fund, (A) the Investment Manager (or its permitted delegate) will have voting powers, including the power to vote, or direct the voting of, such securities and (B) the Investment Manager (or its permitted delegate) will have discretionary investment powers, including the power to dispose, or direct the disposition of, such securities (ii) the AIFM may share with the Investment Manager part or the entirety of any Management Fee the AIFM is entitled to receive in accordance with the term set forth in this Supplement; and (iii) the AIFM may authorise the Investment Manager to delegate some or all of its responsibilities with respect to the Sub-Fund to the Sub-Investment Manager. Where the context requires, a reference to the Investment Manager in this Supplement shall be read as including a reference to the Sub-Investment Manager. As the case may be, the AIFM may decide to delegate portfolio management functions in relation to the Sub-Fund alongside or replacing the Investment Manager and/or Sub-Investment Manager to one or more entities of the Morgan Stanley group. In such case, this Supplement shall be amended and the Shareholders duly notified of such change. It is expressly noted that the appointment of a different Morgan Stanley entity as investment manager or sub-investment manager of the Sub-Fund is not deemed to be a material change requiring prior notice to, or the consent of, Shareholders. The delegation of the portfolio management functions for the Sub-Fund or any change remains subject to the prior consent of the CSSF and the requirements of the AIFM Laws and Regulations. Notwithstanding the delegation of portfolio management functions to the Investment Manager, and in turn to the Sub-Investment Manager, the AIFM may, at its discretion, perform portfolio management services, provide non-discretionary recommendations and provide ancillary services with respect to all Investments of the Sub-Fund in accordance with the terms of the AIFM Agreement.
Investment Objectives and Investment Strategy	The Sub-Fund will generally seek to originate and underwrite a diversified and defensive portfolio of privately negotiated, senior secured term loans ("**Direct Loans**") to European middle market companies that have leading market positions, enjoy high barriers to entry, generate strong and stable free cash flow and are led by proven management teams with strong financial sponsor backing. The Sub-Fund will also seek to provide financing on a more selective basis in the form of subordinated debt instruments, including second lien or mezzanine, unsecured debt, and (in connection with investments in debt and debt-related instruments) equity or equity-

	like investments ("**Subordinated Investments**", and together with the Direct Loans, "**Private Investments**"). The Sub-Fund's Private Investments may include, but are not limited to, debt and debt-related instruments such as private floating senior secured loans, unitranche loans, bonds and subordinated instruments (including but not limited to second lien or mezzanine loans and bonds, holding company loans and PIK (payment-in-kind) instruments), and, in connection with investments in such debt and debt-related instruments, equity and equity-like securities (including equity warrants, equity options, preferred stock and/or convertible debt). The Sub-Fund may also engage in hedging transactions. The Sub-Fund is also expected to invest in, hold and trade in (as applicable) for liquidity management purposes, Liquidity Investments (together with the Private Investments and Other Liquid Assets (as defined below), the "**Investments**"). The Sub-Fund may also hold cash deposits, money market instruments and other cash-equivalents and liquid assets for liquidity management purposes ("**Other Liquid Assets**", and together with the Liquidity Investments, the "**Regular Liquid Assets**"). As from the end of the Ramp-Up Period (as defined below), the Sub-Fund generally intends to allocate 5-20% of the Total Portfolio Value of the Sub-Fund to Regular Liquid Assets with the remainder invested in Private Investments; provided that the Sub-Fund's allocation to such Regular Liquid Assets may be higher or lower than this amount at any time, including during the Ramp-Up Period. In addition, from time to time, for legal, tax or other structuring purposes, the Sub-Fund may establish different subsidiaries (based in Luxembourg or abroad) through which Investments will be acquired and held. In such event, one or several service providers, including Affiliates of Morgan Stanley, may be engaged to provide corporate services to the Sub-Fund and such other entities and subsidiaries.
Investment Limitations	With respect to Private Investments, the Sub-Fund shall not, at any time following the Ramp-Up Period, invest more than 20% of the Net Asset Value of the Sub-Fund (excluding the Regular Liquid Assets) in any single entity in which a Private Investment is made, whether directly or indirectly, and continues to be held, by the Sub-Fund (an "**Investee Company**"). The limitations and restrictions listed in this Supplement are intended to be in accordance with the conditions set out in Chapter I of the Circular IML 91/75 which apply to this Sub-Fund. For the avoidance of doubt, the above restrictions ("**Investment Restrictions**") shall not restrict the Sub-Fund from acquiring or owning any assets (including any capital stock or other equity interests) acquired as a result of or in connection with any foreclosure, restructuring, reorganisation or other workout of the Sub-Fund's Investments. The Investment Restrictions shall be measured (i) on the second anniversary of the First Closing Date (as defined below), such date being the end of the ramp-up period beginning on the First Closing Date and during which the Investment Restrictions do not apply (the "**Ramp-Up Period**") and (ii) thereafter, on the date of the relevant investment,

	and the Investment Restrictions shall be measured upon the cost of each investment and the most recently available Net Asset Value of the Sub-Fund at such measurement date.
Global Distributor; Sub-Distributors	The AIFM is acting as distributor for the Sub-Fund (the "**Global Distributor**"). The Global Distributor, from time to time in its sole discretion, may appoint one or more sub-distributors including, without limitation, banks, investment advisers, registered broker-dealers, trust companies and others, who may or may not be affiliated with Morgan Stanley, on such terms as the Global Distributor may determine (any such person, a "**Sub-Distributor**"). The Sub-Fund may bear all expenses relating to the offering of the Shares and the appointment of the Global Distributor and any Sub-Distributors, including reimbursement for the out-of-pocket expenses incurred by the AIFM or any Sub-Distributors in marketing the Shares and any additional amounts they may incur or may have incurred in connection with the marketing of the Shares.
Currency of the Sub-Fund	The Sub-Fund is denominated in Euro (EUR). However, Share Classes (as defined below) may be denominated in any currency or multiple currencies.
Net Asset Value Calculation, Publication and Valuation Day	The Net Asset Value for the Sub-Fund and each Share Class (as applicable) shall generally be calculated by the Administrator, under the responsibility of the AIFM, monthly as of the last Business Day of each calendar month, and on such other dates as the Board of Directors may determine, pursuant to the provisions of the Articles of Association and the Prospectus (a "**Valuation Day**"), provided that the first Net Asset Value shall be calculated by the Administrator, under the responsibility of the AIFM, as of the last Business Day of the first full calendar month after the First Closing Date. The Net Asset Value with respect to a specific month will generally be available around the 20th Business Day of the following month.
Shares	The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) shall issue Shares to Shareholders whose Subscription Agreement has been accepted on each Dealing Date as described in section (*First Closing / Subscriptions*) below. All Shares of the Sub-Fund will be registered in the Share Register of the Fund. Each Shareholder shall provide the Board of Directors or their delegates with a postal address and email address for the transmission of all notifications and announcements made by the Sub-Fund. To the extent permitted by law, the transmission of notifications and announcements may be made by way of electronic communication.
Share Classes	The Board of Directors shall be authorised to issue one or more Share Classes which may be subject to different terms and conditions, including potentially different fee, currency, dealing, transfer, information disclosure, liquidity arrangements, distribution policies (e.g. accumulating and distributing Share Classes), investor types, or any other criteria to be determined by the Board of Directors.

	The Sub-Fund expects to offer distributing Share Classes whereby the Sub-Fund expects to make distributions to Shareholders on a periodic basis (the "**Distribution Share Classes**"), and accumulating Share Classes whereby, in lieu of making cash distributions to Shareholders, the Sub-Fund will reinvest any such deemed distributions (the "**Accumulation Share Classes**"). The Sub-Fund also expects to offer certain Share Classes to certain qualifying Shareholders, which may be subject to a reduced Management Fee and/or Incentive Fee based on criteria such as the timing and/or amount of a Shareholder's subscription, as detailed in Annex I (*Share Classes*) of this Supplement. It is not expected that all potential Share Classes will be available to investors as of the First Closing Date. Should the Board of Directors decide to issue one or more additional Share Classes in this Sub-Fund, or to change any of their characteristics, this Supplement will be amended accordingly. The Sub-Fund currently offers the Share Classes as set out in Annex I (*Share Classes*) of this Supplement. The Board of Directors may, from time to time and at its discretion, create and offer the same Share Classes set out in Annex I (*Share Classes*) with different currency or hedging features, and update the Supplement accordingly within a reasonable delay. A complete list of all available Share Classes offered by the Sub-Fund is maintained and is available at the registered office of the Fund. A Share Class whose name include the letter "H" denotes a Hedged Share Class. A Share Class whose name includes a currency other than EUR (e.g. "(USD)") denotes a Share Class denominated in such currency. Class A Shares will be offered to financial intermediaries investing for their own account or on behalf of Underlying Investors (as defined below) / advisory accounts as Accumulation Share Classes or Distribution Share Classes. Class AA Shares and Class AHA (USD) Shares are Accumulation Share Classes and Class AD Shares and Class AHD (USD) Shares are Distribution Share Classes. Class BA and Class BD Shares will be reserved to financial intermediaries based in Italy and investing for their own account and on behalf of non-professional Underlying Investors. Class BPA and Class BPD Shares will be reserved to financial intermediaries based in Italy and investing for their own account and on behalf of Underlying Investors which are professional investors. Class F Shares will be available to all Shareholders who subscribe for Shares in the Sub-Fund on or before the earlier of (i) the date on which the aggregate Subscription Amounts to the Sub-Fund reach €450 million (excluding Subscription Amounts relating to Class S Shares); and (ii) such other date as determined by the Board of Directors at its sole discretion (such date, the "**Class F Subscription Termination Date**"). In addition, Class F "B" Shares will be reserved to financial intermediaries based in Italy and investing for their own account and on behalf of non-professional Underlying Investors who subscribe for Shares in the Sub-Fund on or before the Class F Subscription Termination Date. Class FA Shares, Class FBA and Class FI Shares are Accumulation Share Classes and Class FAD, Class FBD and Class FID Shares are Distribution Share Classes. Class I Shares will be offered to Institutional Investors as Accumulation Share Classes or Distribution Share Classes. Class IA Shares and Class IHA (USD) Shares are

	Accumulation Share Classes and Class ID Shares and Class IHD (USD) Shares are Distribution Share Classes. Class S Shares will be available to certain Shareholders who are Morgan Stanley entities making the MS Base Commitment to the Sub-Fund, and Morgan Stanley employees, as determined by the Board of Directors (or its delegate), as Accumulation Share Classes. Where disclosed and subject to the requirements of AIFMD in relation to fair treatment of investors, one or more Classes may be solely offered to Shareholders who are employees of the AIFM or affiliated entities within the Morgan Stanley group of companies, including the Investment Manager and the Sub-Investment Manager. Shareholders which invest in such Classes may receive preferential treatment, including through the form of zero management fees or reduced fees payable to the AIFM, the Investment Manager and/or the Sub-Investment Manager. Please refer to section 12.4 of the Prospectus entitled "Preferential Treatment" for further information. Furthermore, the establishment of an employee specific share class may create potential conflicts of interest, including but not limited, to an employee's ability to access and use confidential information related to the Sub-Fund or its investments (e.g. disposal of shares in advance of an anticipated share price movement) or to exercise biased decision (e.g. when making or involved in investment related decisions which may impact share prices). The Board of Directors and the AIFM will seek to ensure that any conflict of interest of which they are aware of is resolved fairly. Please refer to section 14 of the Prospectus entitled "Conflicts of Interest" for further information Class IS Shares will be available to certain investment funds managed by the Investment Manager, as Distribution Share Classes. The Board of Directors may make available Class I Shares, Class A Shares, Class F Shares and Class IS Shares in other currencies as Hedged Share Classes. The Board of Directors may decide that certain Share Classes will be listed on the Luxembourg Stock Exchange and/or any other stock exchange. If and to the extent required by the rules governing such exchange, further information in respect of listed Shares may be made available to Shareholders through the exchange. Distribution Share Classes will pay dividends on a periodic basis or, in certain cases, on a different frequency to be determined by the Board of Directors at its full discretion. Please also refer to column “Type of Share” in Annex I (*Share Classes*) of this Supplement and section (*Distributions and Reinvestment*) below. No Share Classes intended to be marketed to Shareholders qualifying as Retail Investors within the meaning of Annex II to MiFID will be launched until a PRIIPs KID has been prepared and made available to retail clients proposing to invest in the relevant Share Class. Share Classes which are subject to a Servicing Fee (as defined below), as detailed in Annex I (*Share Classes*) of this Supplement, will be offered by distributors, investment advisers, and/or intermediaries that are duly authorised to perform such activities, but to the exclusion of the intermediaries that are subject to certain regulatory or contractual requirements which prevent them from receiving a Servicing Fee, including:

	a) financial intermediaries appointed to effect sales of Shares and which, according to applicable regulatory requirements, are not permitted to receive fees, commissions or non-monetary benefits other than from their underlying clients (in the EU this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis); b) financial intermediaries rendering non-independent advice and which according to individual fee arrangements with their clients are not permitted to receive fees, commissions or non-monetary benefits from third-parties. The Sub-Fund may offer Hedged Share Classes. The Sub-Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions, as well as any gains or losses, will be allocated solely to the Hedged Share Class to which the hedging relates. Within a Share Class, the Board of Directors (or its delegate) may determine that Shares will be issued in successive Series differentiated by their respective issue date, each Series having a specific denomination, identification number and/or code, such as for, but not limited to, the computation of the early fee reduction for each Shareholder as further described under Section "Redemptions and Liquidity" below.
Type of Shares	Registered Shares only.
Subscription Amounts	The subscription amount (a "**Subscription Amount**") in respect of the relevant Share Class is subject to the minimum set out in Annex I (*Share Classes*) of this Supplement for Shareholders including Intermediaries and Underlying Investors, although the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) may accept Subscription Amounts of lesser amounts in its absolute discretion, provided that Shareholders are treated fairly.
First Closing / Subscriptions	The first closing of the Sub-Fund (the "**First Closing**"), i.e. once Shares are first issued to Shareholders, shall occur on or around 31 January 2025, or any later date as reasonably determined by the Board of Directors in its discretion (the "**First Closing Date**"). The Sub-Fund shall allow monthly subscription requests for Shares to be made which, if accepted, shall be issued at Net Asset Value as of the last day of each calendar month which is also a Valuation Day (the "**Dealing Date**"). Unless waived by the Board of Directors, subscription requests in respect of a given Dealing Date must be received by 1pm Central European Time, at least ten (10) Business Days prior to the Dealing Date. To be accepted, a subscription request must be made with a completed and executed Subscription Agreement in good order, including (a) satisfying any additional requirements imposed by the Global Distributor or Sub-Distributor, as applicable, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Fund or its agent or service providers and (c) payment of the full purchase price of the Shares being subscribed prior to the Dealing Date, it being

	understood that a subscription request partially deferred to one or more later Dealing Dates in accordance with the next paragraph, will need to be paid in instalments as instructed by the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors). If a subscription request is rejected for not complying with the preceding conditions (including the settlement of the full purchase price where applicable), the prospective Shareholder shall be notified of such rejection and will be required to submit a new subscription request for the next Dealing Date. The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) has the discretion to accept or reject subscription requests in full or in part, and in particular may determine in the best interests of Shareholders that part or all of a subscription request should be deferred to one or more later Dealing Dates. The Board of Directors also has the discretion to declare additional or more frequent Dealing Dates. If accepted, the purchase price per Share will be equal to the Net Asset Value per Share for such Share Class as of the relevant Dealing Date. Where required by applicable law, certain types of Shareholders will be afforded the right to cancel their subscription for Shares within a specified period of time from placing their order for Shares, without penalty. Further information with respect to such "cooling-off" rights shall be set out in the Subscription Agreement for the relevant types of Shareholders or shall otherwise be made available to them.
Morgan Stanley Investment	Morgan Stanley, its personnel and certain related persons may subscribe for Shares in the Sub-Fund (the "**MS Base Commitment**"), provided that no portion of the MS Base Commitment shall constitute 50% or more of the Net Asset Value at any time. While no Management Fee or Incentive Fee will apply in relation to the MS Base Commitment, the MS Base Commitment will be liable with respect to the AIFM fee. Shareholders holding Shares with respect to the MS Base Commitment shall not be permitted to redeem or transfer Shares in the Sub-Fund until the earlier of (i) the third anniversary of the First Closing Date; and (ii) the first Valuation Day on which the Net Asset Value of the Sub-Fund reaches €1.5 billion. Thereafter, Shareholders holding Shares with respect to the MS Base Commitment will be able to redeem their Shares but solely (i) to the extent that the Redemption Cap (as defined below) for a calendar quarter has not been met by redemption requests from any other Shareholders in the Sub-Fund made in accordance with section (*Redemptions and Liquidity*) below and (ii) for an amount not exceeding, when calculated together with any other redemption requests from any other Shareholders in the Sub-Fund for that calendar quarter, the Redemption Cap. Notwithstanding the foregoing, Morgan Stanley shall be permitted (without notice to, or the consent of, Shareholders) to redeem or transfer Shares in the Sub-Fund at any time in the event such action is necessary or appropriate to comply with, or diminish or otherwise modify the burden associated with, any laws, regulations or reporting requirements applicable to it or for such other reason as the Investment Manager may determine in its discretion, and Morgan Stanley's proportionate share of total Shares may vary over time due to subscriptions and redemptions by other Shareholders.

Investment Warehousing and Seed Capital	Prior to and / or after the First Closing Date, Morgan Stanley may, and is expected to, establish a warehousing special purpose vehicle to acquire and hold one or more investments for the Sub-Fund in accordance with and subject to applicable laws and regulations (the "**Warehouse SPV**"). Following the receipt of Subscription Amounts from Shareholders (or at any other appropriate time as determined by the Investment Manager in its discretion), Morgan Stanley may, in its discretion, convey the Warehouse SPV (and all of its underlying investments) to the Sub-Fund, upon which the Sub-Fund would be expected to pay an amount equal to (x) the cost of the investment or, if different, the fair value of the investment as determined by the Investment Manager in accordance with the Valuation Policy and applicable law and subject always to the final determination of the value being approved by the AIFM and (y) related expenses, including transaction expenses and expenses of conveyance. Any income or other proceeds received by Morgan Stanley with respect to the investments held in the Warehouse SPV during the period of warehousing shall, subject to applicable laws, be retained for the benefit of Morgan Stanley. The Investment Manager may (in consultation with the AIFM) appoint the Board of Directors (comprised of individuals, a majority of whom will be independent of Morgan Stanley) or one or more other persons (or committee of persons) who are not affiliated with Morgan Stanley (any such person or committee, including the Board of Directors, an "**Independent Person**") to review and approve or disapprove, at the request of the Investment Manager and on behalf of all Shareholders, certain matters in connection with the foregoing (including the purchase of the Warehouse SPV—and its underlying investments—by the Sub-Fund) that require consent under the Advisers Act or other applicable law, and to review and approve or disapprove any other matters presented to them, including certain transactions, measures and other matters arising in connection with actual and/or potential conflicts of interest. Any such approval will be binding upon the Sub-Fund and all the Shareholders. By executing the Subscription Agreement, each Shareholder will consent to the appointment of the Independent Persons to approve, on behalf of all Shareholders, any conflicts and/or transactions requiring approval under applicable laws including section 206(3) of the Advisers Act.
Redemptions and Liquidity	Shareholders will be offered the opportunity to submit requests for their Shares to be redeemed in accordance with the process set out below. Redemptions may take place as of the last Business Day of each calendar quarter which is also a Valuation Day (each a "**Redemption Date**"). Redemption requests in respect of a given Redemption Date must be received in writing in good order by no later than 1pm Central European Time sixty (60) calendar days prior to such Redemption Date (the "**Redemption Cut-Off Date**" and such period for the submission of valid redemption requests in respect of a Redemption Date being the "**Redemption Period**"). Redemption requests received after the Redemption Cut-Off Date will be deemed to have been submitted for the next Redemption Date. Any Shares being redeemed which have been held by Shareholders for less than one year will be subject to an early repayment reduction in an amount equal to 2% of the Net

	Asset Value of such Shares. For this purpose, within a given Share Class, Shares may be issued in successive Series, at the discretion of the Board of Directors (or its delegate). In such case, on the relevant Dealing Date, Investors subscribing for the relevant Shares will be allocated to a new Series issued on that Dealing Date. On the first anniversary date of its issuance, Shares of each Series may be consolidated into the oldest Series of the relevant Share Class. The redemption of a Shareholder's Shares will be considered to be made on a "first-in, first-out" basis (i.e., first with respect to the Shares initially issued to such Investor, then with respect to the Shares next issued to such Investor, and so on) save that, for this purpose, any Shareholder holding Shares issued in successive Series shall be redeemed on the basis of the relevant Series indicated in its redemption request. The Board of Directors (or its delegate) may, from time to time, waive the early repayment reduction, in its discretion, including without limitation in the case of redemptions resulting from death, qualifying disability or divorce or where operational, administrative, and/or system limitations prevent the early repayment reduction from being properly applied to Underlying Investor(s), subject to such conditions as the Board of Directors (or its delegate) may determine. Aggregate redemptions shall be limited to 5% per calendar quarter of the Net Asset Value of the Sub-Fund as of the last day of the preceding calendar quarter which is also a Valuation Day (the "**Redemption Cap**"). If during any Redemption Period, redemption requests exceed the Redemption Cap with respect to the relevant Redemption Date, redemption requests shall be accepted from all Shareholders that have submitted valid redemption requests pro rata to the number of Shares in their redemption requests. Any redemption request submitted in excess of the Redemption Cap shall be deemed to have been submitted for the next Redemption Date. Following that period, with respect to the next relevant valuation day or period, these redemption and conversion requests will be met in priority to later requests, if necessary, on a pro-rata basis among involved Shareholders. The Sub-Fund expects that settlement of Share redemptions which are accepted will generally be made within sixty (60) calendar days of the Redemption Date. In the event of a redemption request, the Investment Manager may generate liquidity to satisfy such redemption by any permissible activities of the Sub-Fund which may include using, without limitation, (i) the Sub-Fund's liquidity reserve, (ii) the Sub-Fund's credit facility, (iii) subscriptions from Shareholders or (iv) income or monetisation proceeds from investments; provided that the Sub-Fund is under no obligation to take any of the above actions. Redemptions of Shares will be made based upon the Net Asset Value per Share as of the Redemption Date. The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) shall have the discretion to accept or reject redemption requests in full or in part, and to determine in the best interests of Shareholders and subject to the following provisions, whether and to what extent to fulfil redemptions, and the timing of such fulfilment. Notwithstanding that the Board of Directors shall have the discretion to accept or reject redemption requests, pursuant to AIFMD, the AIFM is ultimately responsible for the Sub-Fund's liquidity risk management function. The AIFM manages liquidity risk taking into account the investment strategy, the liquidity profile and the redemption policy of the AIFs that it manages. For this purpose, the AIFM and the Investment Manager acting as its

	delegate shall seek to ensure that sufficient immediate liquid assets are available to mitigate potential cash outflows caused by, and to meet client redemptions in, stressed market environments, subject to the conditions set out in this Supplement. The AIFM has a liquidity management policy which is designed to enable it to monitor the liquidity risk of the Sub-Fund. In managing redemption requests, the Board of Directors shall consider the overall liquidity position of the Sub-Fund and comply with the AIFM's liquidity management policy. The systems and procedures employed by the AIFM or the Board of Directors (as appropriate) allow it to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in this Supplement and aggregate redemptions will generally be limited to the Redemption Cap. Notwithstanding the preceding sentence, the Board of Directors shall have the discretion to waive the Redemption Cap, and to accept and service redemption requests in excess of the Redemption Cap. The Board of Directors may consider using its discretion to waive the Redemption Cap if and to the extent that sufficient projected liquidity is available for this purpose, and should this be in the best interests of both redeeming and non-redeeming Shareholders. In exceptional circumstances and not on a systematic basis, the Board of Directors may also suspend redemptions entirely or partially. In making such determinations, the Board of Directors will have regard to the overall projected liquidity position of the Sub-Fund and whether such actions are in the best interests of the Sub-Fund and of both redeeming and non-redeeming Shareholders. The Investment Manager may also use the Sub-Fund's credit facility to provide additional liquidity and to bridge subscriptions and redemptions.
Compulsory Redemptions	The Board of Directors, in consultation with the AIFM, will cooperate with the Investment Manager to compulsorily redeem (in whole or in part) the Shares of any Shareholder if the Board of Directors or the Investment Manager determine that the continued participation of a Shareholder is likely to, among other things, (i) require registration of the Shares under any securities laws applicable to the Sub-Fund or the Shares to be redeemed, (ii) cause the Sub-Fund to fail to qualify for an exemption from regulation, or otherwise to be required to be registered as an investment company under the Investment Company Act, (iii) result in the termination of the Sub-Fund for U.S. federal income tax purposes, (iv) result in the assets of the Sub-Fund being or continuing to be treated as "plan assets" subject to Title I or ERISA or Section 4975 of the Code (or comparable law or regulation), (v) result in any other material adverse tax, regulatory or other consequences to any Shareholder or the Sub-Fund, (vi) result in any violation of other applicable laws or regulations, including ERISA, or (vii) result in any material adverse consequence to the Sub-Fund's investment activities. Additionally, the Board of Directors, in coordination with the Investment Manager, may exclude or remove a Shareholder from a particular investment for any of the reasons described in each of cases (v) through (vii) above through a partial redemption and/or conversion of such Shareholder's Shares. In addition, the Board of Directors will cooperate with the AIFM and/or the Investment Manager to provide notice to a Shareholder compulsorily redeeming the Shares of such Shareholder in the Sub-Fund for "cause" if (i) there is any material breach of such Shareholder's representations, warranties or covenants herein or in the Prospectus, in the Subscription Agreement or related documents executed by such Shareholder

	(including any obligation to make a payment or a return of capital); (ii) the Shareholder or any beneficial owner of the Shareholder (x) engages in illegal conduct or gross misconduct which the Board of Directors determines could result in reputational harm to the Fund or the Sub-Fund, Morgan Stanley or its Affiliates, (y) is convicted of, or pleads *nolo contendere* to, a felony or a serious misdemeanour or (z) illegally or fraudulently obtains the funds with which such Shareholder seeks to invest; (iii) there is any breach of such Shareholder's obligation to keep information confidential in accordance with the Prospectus and the relevant Subscription Agreement; or (iv) any purported transfer of Shares by a Shareholder is not in compliance with the Prospectus, as determined by the Investment Manager. The Board of Directors will cooperate with the AIFM and/or the Investment Manager to compulsorily redeem (in whole or in part) the Shares held by, on behalf or for the account or benefit of Shareholders who do not meet the requirements for the Eligible Investors, as set forth below. To that end, the Sub-Fund will notify the Shareholder of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Valuation Day on which the compulsory redemption will occur. Without prejudice to the provisions of the general part of the Prospectus, any Shareholder notified of a compulsory redemption in accordance with the preceding paragraphs will be considered as a Prohibited Person. Notwithstanding the terms of section (*Redemptions and Liquidity*) above, the redemption price for any compulsory redemption in accordance with the preceding paragraphs or the general part of the Prospectus will be equal to the Net Asset Value of the relevant Shares, less a discount of up to twenty percent (20%) in the case of a Shareholder who is found to be a Prohibited Person or if a transfer of the Shares has been made in breach of the Articles of Association or the Prospectus; in each case, to be determined by the Fund in its reasonable discretion in consideration of the damages caused or reasonably likely to be caused to the Sub-Fund and/or the other Shareholders therein, and after deduction of costs and expenses incurred by the Sub-Fund as a result of the redemption. Such redemption price will be payable at the discretion of the Fund, in one or several instalments at the time where payments are made to the remaining Shareholders but in any event no later than at the close of the liquidation of the Sub-Fund. Any Shareholder who is subject to regulation under the U.S. Bank Holding Company Act of 1956, as amended (the "**BHCA**," and such Shareholder, a "**BHC Investor**"), may require the Sub-Fund to redeem the portion of its Shares in excess of 24.99% of the total number of Shares issued by the Sub-Fund if, in the opinion of counsel reasonably satisfactory to the Board of Directors, the continued holding by such BHC Investor of such portion would give rise to a violation of the BHCA or the regulations promulgated thereunder. Compulsory redemptions carried out under the conditions laid out in this section (*Compulsory Redemptions*) shall prevail over redemptions carried out under normal circumstances in accordance with section (*Redemptions and Liquidity*) above.
Transferability of Shares	Transfers will be subject to certain conditions set forth in the Articles of Association and the Prospectus. A Shareholder may sell, assign, encumber, mortgage or transfer its Share(s) in the Sub-Fund, directly or indirectly, only to Eligible Investors, subject to the

	determination by the Board of Directors (or any person to whom such powers have been delegated by the Board of Directors) that the conditions for transfers of Shares as set out in the Articles of Association and the Prospectus are satisfied.
Portfolio Leverage	In seeking to achieve its investment objectives, the Sub-Fund is expected to obtain and use leverage to fund the acquisition of its investments and thereby increase the overall size of the investment portfolio. The Sub-Fund expects to incur indebtedness at the level of the Investments with a target portfolio leverage on those investments of 100-130% of the Net Asset Value of the Sub-Fund; provided that the Sub-Fund shall not incur such indebtedness that would cause the portfolio leverage on those investments to exceed 130% of the Net Asset Value of the Sub-Fund (provided that the Sub-Fund will not be in violation of the foregoing as a result of any fluctuations in the Sub-Fund's Net Asset Value whether as a result of any distributions, redemptions, disposition of assets, fluctuations in the value of investments or otherwise). The refinancing of any amount of existing indebtedness will not be deemed to constitute incurrence of new indebtedness so long as no additional amount of net indebtedness is incurred in connection therewith (excluding the amount of transaction expenses associated with such refinancing). The foregoing limitation shall not apply with respect to any short-term borrowing described under section (*Short-Term Borrowing*) below. In connection with incurring any indebtedness, the Shareholders may be required to confirm the terms of their subscriptions to the lender(s) in respect thereof and provide such information and execute such documents as such lender(s) or the Board of Directors may reasonably require. To the extent the Sub-Fund incurs any indebtedness secured by the Subscription Amounts, Subscription Amounts of any Shareholders which are subject to Title I of ERISA or Section 4975 of the Code will not be pledged if the pledge would be a non-exempt prohibited transaction for purposes of Section 406 of ERISA or Section 4975 of the Code.
Short-Term Borrowing	The Sub-Fund may make use of a credit facility to incur short-term borrowing for working capital purposes including bridging of subscriptions and redemptions, currency hedging, distributions and Operating Expenses.
AIFMD Leverage	The AIFMD requires the AIFM to disclose and report regularly on the level of leverage used by the Sub-Fund. In accordance with its risk management function and the investment objectives of the Sub-Fund, the AIFM has set a maximum level of leverage which the AIFM and its delegates may employ on behalf of the Sub-Fund. For the avoidance of doubt, this maximum level of leverage does not include leverage at the level of the Sub-Fund investments. The AIFM has determined that leverage employed on behalf of the Sub-Fund will not exceed 300% of the Net Asset Value of the Sub-Fund based on the gross method and 300% of the Net Asset Value of the Sub-Fund based on the commitment method (expressed as a percentage and determined under articles 7 and 8 of AIFMR other than if and to the extent that leverage for these purposes results from borrowings under revolving credit facilities on a short term basis to make investments pending the drawdown of (and covered by) subscriptions of Shareholders which, due to the way in which such borrowings can impact the calculation of leverage for the purposes of the AIFMR, may be unlimited). Such limits should not be viewed as indicative of the amount of leverage that will be employed on behalf of the Sub-Fund or as a target for the Sub-Fund, and it is likely that Sub-Fund-level leverage, if any, will be

	lower in practice. Shareholders should note that in exceptional circumstances, the CBI may impose limits on the level of leverage that the AIFM is entitled to employ or other restrictions on the management of the AIFM with respect to the Sub-Fund. Shareholders should note that the level of leverage determined under articles 7 and 8 of the AIFMR does not necessarily provide any reasonable illustration of the overall risk profile of the Sub-Fund as financial derivative instruments or borrowing of cash or securities can be used to manage risk as well as to seek a return.
Hedging	The Investment Manager intends, subject to the conclusion of satisfactory and commercially available arrangements with one or more finance providers, to implement or procure the implementation of hedging arrangements in relation to the activities of the Sub-Fund (including in respect of any rate or currency), including in respect of any indebtedness or other borrowing contemplated hereby, capital subscriptions, the acquisition, holding, financing, refinancing or disposition of one or more underlying Private Investments, and as the Investment Manager otherwise determines necessary or appropriate (collectively, "**Applicable Hedging Transactions**"), it being acknowledged that the success of any such hedging activities cannot be guaranteed and may result in losses. Such arrangements are expected to include the use of foreign exchange contracts on a rolling basis, although other over the counter or exchange traded currency products may also be used. Cash interest, fees and other return components will typically not be hedged. A portion of subscription proceeds paid to the Sub-Fund may be held back to facilitate the hedging programme and enable the Sub-Fund to settle any loss, costs and fees due on each derivative contract.
Derivatives and Securities Financing Transactions	The Sub-Fund may, but is not expected to, invest in or enter into any form of derivative instruments, including swaps, short sales, forward contracts, futures or options, and any other securities financing transactions or total return swaps, as those terms are defined in the SFTR and any expenses incurred in connection with any such transactions will be borne by the Sub-Fund. The Sub-Fund may use forward contracts and currency swaps in implementing Applicable Hedging Transactions or in respect of currency hedged Share Classes. The Sub-Fund may enter into repurchase agreements, subject to the conditions and within the limits set out in this Supplement. Please refer to Annex IV (*SFTR Disclosure*) of this Supplement and/or to the Annual Report for further information on the use of repurchase agreements by the Sub-Fund and on the risks related to their use.
Underlying Investors	Investments in the Sub-Fund may be made (i) directly or (ii) by appointing an Intermediary to hold Shares on behalf of Underlying Investors, in accordance with and subject to the terms of the general part of the Prospectus. If and to the extent agreed with an Intermediary and depending on the terms of the contractual arrangements in place with such Intermediaries, any reference in the Prospectus and this Supplement to "Shareholders" shall be read as a reference to the relevant Intermediary and/or where appropriate, the Underlying Investor and any

	penalties, sanctions and requirements that can be imposed on a Shareholder will be, in respect of the relevant Intermediary, applied to the relevant pro-rata portion of the relevant Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus. Likewise, voting rights will be exercised by Intermediaries through, depending on the terms of the relevant intermediary arrangement with each Underlying Investor, either a split vote following voting instructions from each Underlying Investor or exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor. In addition, each participation by an Intermediary on account of any single Underlying Investor may be treated as a separate participation from that Intermediary's other participations, in accordance with and subject to the terms of the general part of the Prospectus and the Articles of Association. Where the Global Distributor or any Sub-Distributor holds Shares in its own, or an Intermediary's, name for and on behalf of Shareholders it will act as Intermediary in respect of such Shares. Shareholders are advised to inform themselves of, and when appropriate consult with their Intermediary regarding, the rights that they have in respect of Shares held through the relevant Intermediary service. In particular, investors should ensure that their arrangements with such Intermediaries deal with information being given regarding corporate actions and notifications arising in respect of the Shares, as the Sub-Fund is only obliged to deliver notice to parties inscribed as a Shareholder in the Share Register and can have no obligation to any third party.
Eligible Investors	The Shares in the Sub-Fund will be offered or sold only to, and Shares can only be acquired by, Eligible Investors as defined in the general part of the Prospectus and below, and may under no circumstances be beneficially or legally held or owned by any person, who is not an Eligible Investor. For the purposes of this Supplement, "**Eligible Investors**" shall mean: (i) EEA investors that qualify or may be treated as professional clients within the meaning of Annex II to MiFID II, or EEA investors who are otherwise eligible for marketing of the Shares in accordance with the national laws of their home Member State; (ii) UK investors that qualify or may be treated as professional clients within the meaning of Article 2(1)(8) of Regulation (EU) 600/2014 on markets in financial instruments (as retained in UK law), or UK investors who are otherwise eligible for marketing of the Shares in accordance with UK law; and (iii) non-EEA and non-UK investors to whom Shares may be lawfully marketed. Shares in the Sub-Fund will be marketed and made available to all Eligible Investors, subject to and in accordance with any applicable legal and regulatory restrictions and, other than as described in this Supplement, no further substantive criteria are intended to apply which would limit or deter Eligible Investors from investing in the Sub-Fund.

Communication and announcements to the Shareholders	To the extent permitted by the 1915 Law or any other Luxembourg laws or regulations, an electronic secure platform or other means of electronic communication, in particular emails, may be used for the transmission of all notifications and announcements of the Board of Directors, the Fund and the AIFM, such as, for instance information notices, financial reports and corporate information**.**
Conversion of Shares	No conversion of Shares between the different Share Classes of the Sub-Fund or Sub-Funds shall be permitted except as permitted by the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors).
Liquidation	The Sub-Fund is formed for an unlimited period. The Sub-Fund may be put into liquidation (i) by a decision of the Board of Directors in accordance with the Articles of Association and the general part of the Prospectus; (ii) as a consequence of the liquidation of the Fund by an extraordinary General Meeting of Shareholders of the Fund in accordance with the Articles of Association; or (iii) as a consequence of the liquidation of the Sub-Fund approved by way of Investor Ordinary Consent of the Shareholders of the Sub-Fund, excluding Shares held by Morgan Stanley. Any decision to put the Sub-Fund into liquidation will be subject to the prior non-objection of the CSSF.
Distributions and Reinvestment	Subject to the terms of this Supplement, as set out under "*Share Classes*", the Sub-Fund expects, depending on each Share Class, to make distributions to Shareholders on a periodic basis or, in lieu of making cash distributions to Shareholders, to reinvest any such deemed distributions. However, the amount and timing of the making of cash or deemed distributions from the Sub-Fund to Shareholders will be at the discretion of the Board of Directors and shall be subject to holdbacks in respect of reserves. The Sub-Fund cannot guarantee that it will have amounts available to make distributions or for reinvestment, and any such amounts for distributions or reinvestment will be made at the discretion of the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) based upon what is in the best interests of the Shareholders, taking into account the following provisions: (i) whether there is sufficient cash available for such distribution after taking into account any current or contingent liabilities of the Sub-Fund (including, without limitation, payment of any Operating Expenses); (ii) whether such distribution would render the Sub-Fund insolvent; and (iii) whether it is during a period in which the calculation of the Net Asset Value is suspended. The Investment Manager generally applies the following considerations in exercising its discretion to cause the Sub-Fund to allocate its cash resources. (i) Cash of the Sub-Fund which the Board of Directors (or its delegate) determines in good faith (in consultation with the AIFM and the Administrator) to be income generated by the investments net of (i) obligations, costs and expenses paid or accrued by the Sub-Fund (including, without limitation, AIFM Fees, Management

	Fees, the Incentive Fee and other Operating Expenses (as described in section (*Other Costs*) of this Supplement)), (ii) liquidity reserves and provisions and (iii) cash required to post collateral under any contract ((i) to (iii) together the "**Senior Payment Items**"), will generally be identified as distributable income (the "**Distributable Income**") of the Sub-Fund. (ii) The Distributable Income of the Sub-Fund will, subject to applicable regulations and accounting principles, generally be applied as follows: (a) Distributable Income attributable to Accumulation Share Classes will generally be retained by the Sub-Fund and not distributed; and (b) Distributable Income attributable to Distribution Share Classes will generally be available for distribution to the relevant Shareholders as soon as reasonably practicable following the Valuation Day falling on the last Business Day of each quarter in proportion to the Net Asset Value of the Distribution Share Classes. The distribution of Distributable Income in respect of Distribution Share Classes will result in an increase in the Net Asset Value per Share of Accumulation Share Classes relative to the Net Asset Value per Share of otherwise identical Distribution Share Classes, all other things being equal. Cash of the Sub-Fund which the Board of Directors (or its delegate) determines to represent proceeds from the sale or disposal of an investment, a repayment of principal of an investment, a Shareholder's Contribution and any other available cash received by the Sub-Fund which the Investment Manager determines in good faith not to be Distributable Income, will generally be retained by the Sub-Fund and applied: (i) to pay, or create a reserve to pay, any outstanding obligation or indebtedness of the Sub-Fund; (ii) to satisfy, or create a reserve to satisfy, Shareholders' redemption requests; and/or (iii) to make further investments. If requests for redemptions are outstanding, then the Sub-Fund will generally prioritise the satisfaction of such redemption requests (to the extent it is required to do so, taking into account the Redemption Cap) over making new investments. For the avoidance of doubt, the Sub-Fund will generally prioritise payment of, or creation of reserves for, Senior Payment Items over the making of distributions or satisfaction of redemption requests.
Distributions in kind	The Sub-Fund will generally make distributions to Shareholders in cash however, from time to time when the Investment Manager so determines, the Sub-Fund may make distributions of securities to Shareholders in kind, subject to applicable laws and regulations and in accordance with the conditions set out in the Prospectus. In the event that an in kind distribution is made, the relevant assets shall be deemed to have been sold at their fair value as determined by the AIFM in accordance with the Valuation Policy and confirmed by the Auditor, and the proceeds of such sale shall be deemed to have been distributed in the form of distributable cash to the Shareholders. Distributions in kind

	shall be made in proportion to the aggregate amounts that would be distributed to each Shareholder as determined by the AIFM. Any costs incurred in connection with a distribution in kind may be borne by the Shareholders receiving such distribution in kind or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.
Co-Investment	The Investment Manager may, but will be under no obligation to, in its discretion allocate co-investment opportunities to strategic and other investors, lenders, one or more Shareholders and/or Affiliates of the Investment Manager. Co-investment opportunities may be made available through limited partnerships or other entities formed to make such investments. Co-investment opportunities may be offered where the Investment Manager determines that the size or risk of an Investment is either prohibited by the Prospectus or is not in the Sub-Fund's best interest. In addition, the Investment Manager may form one or more co-investment vehicles to permit employees and certain other designees of Morgan Stanley to invest side-by-side in one or more investments made by the Sub-Fund. The terms of co-investments may differ from those of the Sub-Fund, including with respect to the payment of an incentive fee or incentive allocation and/or management fee; however, each investment in an Investee Company by a Morgan Stanley co-investment vehicle generally will be on economic terms at the level of the investment no more favourable than those received by the Sub-Fund. No Shareholder shall have a right to any such co-investment opportunities that may be made available, and any co-investment opportunity will be provided to Shareholders at the Investment Manager's discretion (on such terms and conditions that the Investment Manager and the Shareholders participating therein agree).
Allocation of Investment Opportunities	The Investment Manager will allocate investment opportunities among the Sub-Fund, Morgan Stanley, and Morgan Stanley's clients, as applicable, as the Investment Manager determines in its discretion in a manner consistent with the Investment Manager's and its Affiliates' internal policies (as in effect from time to time). Certain investment opportunities may be appropriate for some or all of the Sub-Fund, Morgan Stanley, other investment vehicles or other investment accounts managed by Morgan Stanley and/or Morgan Stanley's clients (collectively, "**Morgan Stanley Related Persons**"). Please see Annex II (*Risk Factors and Potential Conflicts of Interest—Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses*) to this Supplement for further details as to the applicable allocation processes and procedures in respect of the Sub-Fund and the inherent conflicts of interest in connection with such procedures.
Incentive Fee	The Investment Manager (in such capacity, the "**Incentive Fee Recipient**") will be entitled to receive an incentive fee from the Sub-Fund ("**Incentive Fee**") as set out below and subject to the conditions set out in this Supplement. The Incentive Fee Recipient may, under separate arrangements, pay all or part of the Incentive Fee to Morgan Stanley and/or certain employees who are senior professionals within Morgan Stanley. The Incentive Fee Recipient will be entitled to receive Incentive Fee from the Sub-Fund as follows:

	Incentive Fee from Income: 12.5% of Pre-Incentive Fee Net Investment Income Returns for each calendar quarter (subject to a 5% annualised hurdle rate with a 100% catch up) paid quarterly, as further set out below: (i) There shall be no Incentive Fee based on Pre-Incentive Fee Net Investment Income Returns in any calendar quarter in which the Sub-Fund's Pre-Incentive Fee Net Investment Income Returns do not exceed the hurdle rate of 1.25% per quarter (5.0% annualised); (ii) 100% of the Euro amount (or equivalent) of the Sub-Fund's Pre-Incentive Fee Net Investment Income Returns with respect to that portion of such Pre-Incentive Fee Net Investment Income Returns, if any, that exceeds the hurdle rate but is less than a rate of return of 1.43% (5.72% annualized). This portion of the Sub-Fund's Pre-Incentive Fee Net Investment Income Returns (which exceeds the hurdle rate but is less than 1.43%) is referred to as the "catch-up." The "catch-up" is intended to provide the Incentive Fee Recipient with approximately 12.5% of the Sub-Fund's Pre-Incentive Fee Net Investment Income Returns as if a hurdle rate did not apply if the Sub-Fund's Pre-Incentive Fee Net Investment Income exceeds 1.43% in any calendar quarter; and (iii) 12.5% of the Euro amount (or equivalent) of the Sub-Fund's Pre-Incentive Fee Net Investment Income Returns, if any, that exceed a rate of return of 1.43% (5.72% annualised). This reflects that once the hurdle rate is reached and the catch-up is achieved, 12.5% of all Pre-Incentive Fee Net Investment Income Returns thereafter are allocated to the Incentive Fee Recipient. "**Pre-Incentive Fee Net Investment Income Returns**" means, as the context requires, either the Euro value of, or percentage rate of return on the value of the Sub-Fund's net assets, excluding assets and liabilities allocated to the Class S Shares, at the end of the immediately preceding quarter from, interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Sub-Fund receives from Investee Companies) accrued during the calendar quarter, minus the Sub-Fund's Operating Expenses accrued for the quarter (including the Management Fee and any interest expense or fees on any credit facilities or outstanding debt and dividends paid on any issued and outstanding preferred shares, but excluding the Incentive Fee and any distribution and/or stockholder servicing fees). These calculations are pro-rated for any period of less than three months and adjusted for any Share issuances or repurchases during the relevant quarter. Incentive Fee from Realised Capital Gains: 12.5% of cumulative realised capital gains, excluding realised capital gains in relation to assets and liabilities allocated to the Class S Shares, from inception through the end of the relevant calendar year, computed net of all realised capital losses and unrealised capital depreciation on a cumulative basis, less the aggregate amount of any previously paid Incentive Fee from capital gains as calculated in accordance with relevant accounting standards, paid at the end of each calendar year. Notwithstanding anything in this section (*Incentive Fee*) to the contrary, amounts otherwise distributable to a Shareholder from the Sub-Fund may, at the discretion of the

	Board of Directors or any person to whom such powers have been delegated by the Board of Directors, be paid to the Incentive Fee Recipient as an advance against future Incentive Fee (a "**Tax Advance Amount**"). All calculations of Tax Advance Amounts will be calculated based on certain assumptions as reasonably determined by Morgan Stanley. Notwithstanding anything to the contrary in this Supplement, the Incentive Fee and/or any Tax Advance Amounts with respect thereto may be implemented (in whole or in part, but in any event without duplication) at the level of one or more of the Sub-Fund's subsidiary vehicles and, in any such case, distributions and allocations which any Shareholder is otherwise entitled to receive from the Sub-Fund will be appropriately reduced, and any other appropriate adjustments may be made to give effect to the foregoing. Any Shareholder (other than Class F Shareholders) who subscribes for Shares on or after the Class F Subscription Termination Date and prior to such date the Investment Manager determines to be commercially appropriate (the "**Fee Holiday Date**") shall pay no Incentive Fee until such Fee Holiday Date. Thereafter, any such Shareholder shall pay the Incentive Fee incrementally over 4 months in 25% stages (i.e. 25% of the Incentive Fee otherwise payable pursuant to this section (*Incentive Fee*) above in the month immediately following the Fee Holiday Date; 50% of the Incentive Fee otherwise payable pursuant to this section (*Incentive Fee*) above in month two; 75% of the Incentive Fee otherwise payable pursuant to this section (*Incentive Fee*) above in month three and, finally, 100% of the Incentive Fee from month four). No Incentive Fee shall be payable by Class F Shareholders.
Valuation Methodology	Pursuant to the AIFM's valuation policy in respect of the Sub-Fund (the "**Valuation Policy**"), market quotations are generally used to assess the value of investments for which market quotations are readily available. The AIFM (in consultation with the Investment Manager) shall obtain these market quotations from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, otherwise from a principal market maker or a primary market dealer. In the absence of quoted market prices, broker or dealer quotations or alternative price sources, investments are measured at fair value as determined by the AIFM (in consultation with the Investment Manager) in accordance with the Valuation Policy and subject always to approval by the AIFM. Due to the inherent uncertainties of valuation, certain estimated fair values may differ significantly from the values that would have been realised had a ready market for these investments existed, and these differences could be material. As the Sub-Fund generally invests in illiquid loans and securities, it is expected that market quotations will not be readily available, or may be available but not reflective of the fair value of an investment, for the majority of the Private Investments. For Private Investments, the value will generally be determined on a monthly basis as follows: (i) The monthly valuation process begins with each Investee Company or investment being initially valued by the investment professionals of the Investment Manager responsible for the Private Investment taking into account, as relevant, amongst other factors: (i) the estimated enterprise value of an

	Investee Company, (ii) the nature and realisable value of any collateral, (iii) the Investee Company's ability to make payments based on its earnings and cash flow, (iv) the markets in which the Investee Company does business, (v) a comparison of the Investee Company's securities to any similar publicly traded securities, and (vi) overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. (ii) The AIFM (and/or another Morgan Stanley entity) may also engage one or more Valuation Support Agents to provide independent valuations of the Private Investments, pursuant to a valuation support agreement (the "**Valuation Support Agreement**"). The Valuation Support Agent independently value such investments using quantitative and qualitative information provided by the investment professionals of the AIFM, the Investment Manager and the Investee Companies as well as any market quotations obtained from independent pricing services, brokers, dealers or market dealers. The Valuation Support Agent also provide analyses to support their valuation methodology and calculations. A portion of the portfolio is reviewed on a quarterly basis, and all Private Investments are reviewed at least annually by the Valuation Support Agent. (iii) The Valuation Support Agent's preliminary valuations are reviewed by the Investment Manager. The Valuation Support Agent's valuation ranges are compared to the Investment Manager's valuations to ensure the Investment Manager's valuations are reasonable. These valuations are presented to the Investment Manager's valuation committee. (iv) That committee ratifies proposed fair valuations and makes recommendations to the Investment Manager and the AIFM, who discuss the valuations and determine the fair value of the investments in good faith based on the foregoing inputs, with the final determination subject always to approval by the AIFM. The Investment Manager and the AIFM are authorised to apply other appropriate valuation principles in order to reflect better the probable realisation value if the aforesaid valuation methods appear inappropriate due to extenuating circumstances or events. Any adjustments to valuations will incorporate estimates of the market impact of specific events as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time. The Regular Liquid Assets will be valued in accordance with the Valuation Policy and the general valuation provisions of section 7.2 (*Valuation Procedure*) of the Prospectus.
Reporting	After the end of each financial year, Shareholders will be provided, within six (6) months of year-end, with an audited Annual Report in the Reference Currency, prepared in accordance with Luxembourg generally accepted accounting principles. Shareholders will also be provided with unaudited financial statements on a semi-annual basis within three (3) months of the end of the period to which they refer. The Sub-Fund will also provide the relevant reporting as set out in the Prospectus and

	as required by AIFMD and other applicable laws and regulations. In addition, the Sub-Fund intends to provide the Shareholders at monthly intervals with a short unaudited statement of the Net Asset Value as determined at each month-end and appropriate information that should allow the Shareholders to carry out a reliable assessment of their investment.
Costs of setting up the Sub-Fund	The Sub-Fund will pay or bear all payments, fees, costs, expenses and other liabilities or obligations incurred in connection with its formation and organisation, including costs of setting-up of the Fund as per section 9 (*Fees and Expenses*) of the Prospectus, and with the offering and sale of Shares to investors, including its apportioned amount of such payments, fees, costs, expenses and other liabilities or obligations incurred at the level of the Fund ("**Organisational Expenses**"). The Organisational Expenses will be paid by the Sub-Fund upon the First Closing Date and subject to, and in accordance with, Luxembourg GAAP as applicable from time to time amortised over five (5) years.
AIFM Fee	The Fund will pay to the AIFM annual fees (exclusive of any value added tax or similar tax payable) out of the assets of the Sub-Fund as compensation for its management services (the "**AIFM Fee**"), equal to no more than 0.03% of the Net Asset Value of the Sub-Fund, subject to a minimum charge of EUR 50,000 per annum in respect of the Sub-Fund, as further described in the AIFM Agreement. The AIFM Fee shall be accrued and paid monthly in arrears, with effect from the date of the First Closing Date. For the avoidance of doubt, (i) such fees payable by the Sub-Fund to the AIFM will not be payable out of the Management Fee and will be borne separately by the Sub-Fund; and (ii) the fee holiday described in sections (*Incentive Fee*) above and (*Management Fee*) below does not apply to the AIFM Fee.
Management Fee	Except as provided for in relation to a particular class of Shares, Shareholders holding Shares shall bear an annual management fee in respect of the relevant Share Class (the "**Management Fee**") which shall accrue on a monthly basis and shall be payable monthly in arrears. The AIFM will be entitled to receive the Management Fee from the Sub-Fund and will further share part or the entirety thereof with the Investment Manager and the Sub-Investment Manager, as compensation for their management services. The Management Fee is described in Annex I (*Share Classes*) of this Supplement and will be calculated with reference to the Net Asset Value of the Sub-Fund as of the beginning of the first calendar day of the applicable month. Any Shareholder other than Class F Shareholders who subscribes for Shares on or after the Class F Subscription Termination Date and prior to the Fee Holiday Date shall pay no Management Fees until the Fee Holiday Date. Thereafter, any such Shareholder shall pay the Management Fee in accordance with the previous paragraph of this section (*Management Fee*). No Management Fee shall be payable by Class F Shareholders. **All fees referenced in this Supplement are exclusive of any applicable tax unless**

	otherwise stated.
Distribution Costs	The Global Distributor and/or any Sub-Distributor may be paid a servicing fee applicable to the relevant Share Class (the "**Servicing Fee**") for an amount up to the rate disclosed in Annex I (*Share Classes*) of this Supplement per annum calculated on the Net Asset Value of the Shareholder's Shares. The Servicing Fee (if any) is additional to the Management Fee and the AIFM Fee. The Servicing Fee may vary among distributors. The Global Distributor or any Sub-Distributor may also separately charge the Shareholder an upfront fee outside of the Sub-Fund. In addition, certain Sub-Distributors may charge the Sub-Fund a platform distribution and advisory fee in consideration of any platform distribution and advisory services provided to the Sub-Fund. Such fee shall be borne by the Sub-Fund as an Operating Expense unless the Investment Manager determines otherwise.
Other Costs	**Fees for the Depositary** The Depositary is entitled to receive out of the assets of the Sub-Fund a depositary fee as set out in the Depositary Agreement, which fee shall be at normal commercial rates and be disclosed in the financial statements of the Sub-Fund. **Fees for the Administrator** The Administrator is entitled to receive out of the assets of the Sub-Fund an administration fee as set out in the Administration Agreement, which fee shall be at normal commercial rates and be disclosed in the financial statements of the Sub-Fund. **Investment Banking and Other Fees** The investment banking, restructuring, financing, mergers and acquisitions, underwriting, placement, asset management, financial advisory and brokerage fees and other fees paid by the Sub-Fund or Investee Companies, whether paid to Morgan Stanley or otherwise, will not be shared with the Sub-Fund and will not be credited against future Management Fees. **Other ancillary costs and expenses** As described in section 9 (*Fees and Expenses*) of the Prospectus and further set out below, the Board of Directors will charge to the Sub-Fund out of the assets of the Sub-Fund, all expenses, liabilities and costs incurred by the Board of Directors or third parties in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund or its subsidiaries. **Operating Expenses**

	The Sub-Fund generally will bear any direct or indirect "Operating Expenses" (as defined in section 9.8 (*Operating Expenses*) of the Prospectus) which are attributable to the Sub-Fund in accordance with section (*Investment Expense Allocation*) below. In addition, from time to time, for legal, tax or other structuring purposes, the Sub-Fund may establish different subsidiaries (based in Luxembourg or abroad) through which Investments will be acquired and held. To the extent the Sub-Fund establishes one or more subsidiaries, fees and expenses of any service providers that may be engaged to provide corporate services to the Sub-Fund and such other entities and subsidiaries shall be covered as part of Operating Expenses. Morgan Stanley may provide certain services to the Sub-Fund and the amounts payable by the Sub-Fund for such services may not be negotiated on an arm's-length basis and may be more (or less) than the amount a third party might charge for similar services, if the Investment Manager believes that it will be advantageous for the Sub-Fund to engage Morgan Stanley as compared to engaging a third-party service provider for reasons including, without limitation, the fact that the services provided by Morgan Stanley may be more expedient, superior, or cost effective when compared with those provided by a third party. The Investment Manager may advance funds or arrange for one of its Affiliates to advance funds to the Sub-Fund for the payment of Organisational Expenses and Operating Expenses, and the Investment Manager or such Affiliate will be entitled to the reimbursement, without interest, of any funds so advanced. **All fees referenced above are exclusive of any applicable tax unless otherwise stated.**
Discretionary Expense Cap	The aggregate amount of the Organisational Expenses, the AIFM Fee and the costs and expenses other than extraordinary or exceptional costs and expenses (such as, but not limited to, costs and expenses related to litigation, arbitration or other proceedings and regulatory investigations (including penalties, fines, damages and indemnifications) in relation to the Fund or the Sub-Funds) referred to under section (*Other Costs*) allocated to a Share Class (the "**Other Costs**") may be subject to a discretionary annual cap, applied at the discretion of the AIFM taking into account, among others, the performance of the relevant Share Class, the Net Asset Value of the relevant Share Class, the number of Investors in the relevant Share Class and/or the costs generally borne by the investors in similar products across the industry (a "**Discretionary Expense Cap**"). For the avoidance of any doubt, the Other Costs referred to in the preceding sentence do not include the Management Fee, the Incentive Fee nor the Distribution Costs. The AIFM will have full discretion in applying the Discretionary Expense Cap to one or more Share Classes, setting or changing the level of the Discretionary Expense Cap, and/or discontinuing the application of the Discretionary Expense Cap, in each case, on a go forward basis. The Annual Report and Semi-Annual Report, as well as, where relevant in any other periodic reports made available to the relevant Investors, will indicate the level of the Discretionary Expense Cap applicable to a Share Class, if any, as an annual percentage of average Net Asset Value.

	Any Other Costs that exceed the relevant Discretionary Expense Cap for the relevant period (the "**Excess Costs**") will be borne or advanced, as applicable and as further described below, by the AIFM or any of its Affiliates. The AIFM shall be entitled to reimbursement from the Fund for any Excess Costs advanced by it (or any of its Affiliates) over the last five (5) years (the "**Reimbursement**"), regardless of whether the Discretionary Expense Cap is applied by the AIFM at the time of the Reimbursement and provided that: (a) the Reimbursement may not exceed the lower between: (i) the Excess Costs advanced by the AIFM (or any of its Affiliates) which are eligible for Reimbursement and not yet reimbursed at the time of calculation, and (ii) the positive difference between (x) the amount representing the Discretionary Expense Cap for the relevant period (as calculated on the basis of the applicable Discretionary Expense Cap or, if no longer applied by the AIFM at the time of calculation, the most recent Discretionary Expense Cap that was applicable), and (y) the Other Costs incurred by the relevant Share Class for such relevant period, (b) the Discretionary Expense Cap shall not be increased as long as the AIFM remains entitled to such Reimbursement (i.e. before the end of the five-year period, or until the Reimbursement has been completed or waived by the AIFM). Investors' attention is drawn to the fact that the Reimbursement will accrue on each Valuation Day and will be payable on an annual basis in arrears. The Other Costs to be borne by Shareholders are expected to reach the Discretionary Expense Cap until the Reimbursement is fully completed, waived or expired. Any Excess Costs for which the AIFM is not entitled to reimbursement shall be definitively borne by the AIFM (or any of its Affiliates on its behalf).
Investment Expense Allocation	The Sub-Fund is expected to bear any investment expenses and other costs and expenses related to any opportunity potentially evaluated for the Sub-Fund or in which the Sub-Fund may have participated (whether or not the associated investment opportunity is consummated by the Sub-Fund), including fees and expenses related to the organisation of any Morgan Stanley-managed co-invest entities, whether for the benefit of other investors, Affiliated Investment Accounts or other third parties, and the marketing or placement of interests therein; provided that the Investment Manager may, acting in good faith and taking into account fair treatment of the relevant entities and where justified, determine in its discretion to allocate such expenses in a different manner, which will be based on certain allocation guidelines that will take into account relevant considerations, including any arrangements and agreements in place with the

	Affiliated Investment Accounts and whether transactions are ultimately consummated by such Affiliated Investment Accounts.
Sustainability-Related Disclosures	On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the "**SFDR**") was published. The SFDR seeks to provide greater transparency, in the disclosures made to investors, on (i) how sustainability risks are integrated within the management of the fund; and (ii) any environmental/social characteristics or sustainable investment objectives promoted by a fund. Therefore, disclosures have been added herein (including Annex V (*Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*) of this Supplement, which contains further disclosures in relation to the Sub-Fund's sustainability approach as required by Article 8 SFDR) and in the Prospectus. ***Sustainable Finance*** The Sub-Fund's investment philosophy is underwritten by a strong conviction that ESG considerations are important to the credit process. On the one hand, a prospective borrower's ESG performance is likely to bear considerably on its creditworthiness: environmentally friendly practices, good human capital and supply chain management, and governance frameworks signal strong management and adaptability. On the other hand, properly assessing a borrower's ESG credentials is vital to fulfilling the Sub-Fund's responsibilities as a socially and environmentally conscious product. The Sub-Fund is an Article 8 product which promotes environmental and social characteristics pursuant to the SFDR through the application of: (1) a binding exclusions policy; and (2) a binding scorecard methodology. **Exclusions Policy**: The Sub-Fund promotes environmental and social characteristics by excluding investments in adult entertainment, production of controversial and conventional weapons, production of ammunition, production of tobacco, upstream production of palm oil, and oil sand and tar sand development. In addition, the Sub-Fund will not invest in companies that have violated the UN Global Compact or the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Sub-Fund also excludes investment companies that generate over 5% of total revenue from any of the following activities: exploration and/or extraction of oil, thermal coal power generation and/or mining, gas extraction and/or power generation, and nuclear power generation. The Exclusions Policy will not apply to the Regular Liquid Assets. **Scorecard**: The Sub-Fund also promotes environmental and social characteristics by making Private Investments that the Investment Manager considers perform well against various Environmental, Social and Governance criteria in accordance with the Investment Manager's proprietary scoring methodology. All Private Investments will be assessed against the Scorecard, and the Investment Manager will aim to have at least 75% of the

	Sub-Fund's Private Investments meet the ESG Threshold. The Scorecard characteristic will not apply to the Regular Liquid Assets. For further information on how the Sub-Fund promotes these environmental and social characteristics, please see Annex V (*Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*) of this Supplement.
Confidentiality	Except with respect to tax related matters as described in this Supplement, Shareholders will be required to keep confidential information relating to the Sub-Fund (including its investors and investments).
Legal Counsel	Fried, Frank, Harris, Shriver & Jacobson (London) LLP, Fried, Frank, Harris, Shriver & Jacobson LLP and Arendt & Medernach S.A. are retained as legal counsel in respect of the Sub-Fund. Walkers (Ireland) LLP acts as legal counsel in respect of the AIFM.
ERISA Considerations	Investment in the Sub-Fund is generally open to institutions, including pension plans and other employee benefit plans and accounts, subject ERISA or the Code. The Board of Directors will use reasonable efforts to conduct the affairs and operations of the Sub-Fund so that the Sub-Fund's assets will not be deemed to constitute "plan assets" subject to ERISA by limiting investment in the Sub-Fund by "benefit plan investors" (within the meaning of Section 3(42) of ERISA) to less than 25% of each class of equity interests in the Sub-Fund, see Section 15 (Certain Regulatory Law Matters). Each prospective Shareholder subject to Title I of ERISA or Section 4975 of the Code is urged to consult its own advisors as to the provisions of ERISA and/or the Code applicable to an investment in the Sub-Fund. The Sub-Fund reserves the right to exclude "benefit plan investors" and other employee benefit plan investors not subject to Title I of ERISA or Section 4975 of the Code from, or limit investments by such Shareholders in, the Sub-Fund (including, without limitation, by rejecting subscriptions for Shares by, or transfers of Shares to, any such Shareholders or by requiring any such Shareholders to dispose of their Shares in the Sub-Fund in whole or in part at any time) if the Board of Directors determines that participation or continued participation by any such Shareholders causes or could cause the assets of the Sub-Fund to be or continue to be treated as "plan assets" subject to Title I of ERISA, Section 4975 of the Code or similar laws or regulations, or for any other reason in its discretion.
Other Regulatory Considerations	Without the consent of the Shareholders, the Board of Directors will cooperate and consult with the AIFM and the Investment Manager to modify or amend this Supplement to make any changes that the AIFM and/or the Investment Manager determines are necessary or advisable to comply with and / or reduce, eliminate, or otherwise modify the impact on, or applicability to, Morgan Stanley or any of its Affiliates, or any fund organised, offered, and / or managed by Morgan Stanley (including the Sub-Fund), of any current or future laws (including as related to taxes and the AIFMD, the AIFM Laws and Regulations, and any order, ruling or regulation relating thereto), rules (including as related to regulatory capital rules and any future interpretations that are issued), legal requirements, guidelines or any regulatory restrictions or any interpretation thereof that might otherwise

	be applicable to Morgan Stanley, the AIFM, the Investment Manager, the Fund and/or the Sub-Fund.
U.S. Dodd-Frank Act and Volcker Rule	The Volcker Rule severely limits the extent to which "banking entities," such as Morgan Stanley (including the Investment Manager), may sponsor or invest in a hedge fund or private equity fund that is deemed a "covered fund". The Volcker Rule also prohibits certain "covered transactions" between a banking entity and any of its Affiliates, on the one hand, and a covered fund that is sponsored or advised by the banking entity or any of its Affiliates (or any other covered fund that is "controlled" by such fund), on the other hand. It is intended that the Sub-Fund will be managed so that it will not constitute a "covered fund." Specifically, the Volcker Rule contains an exclusion from its "covered fund" definition for any "credit fund" whose assets consist solely of (1) loans; (2) debt instruments; (3) certain rights and other assets that are related or incidental to acquiring, holding, servicing, or selling such loans or debt instruments; and (4) certain interest rate or foreign exchange derivatives (the "**Credit Fund Exclusion**"). Qualifying credit funds also are not permitted to engage in "proprietary trading" (generally defined as short-term trading of "financial instruments") or issue asset-backed securities. While unlikely, it is possible that such requirements may have a material or adverse effect on the Sub-Fund's investments or the Sub-Fund itself. For example, the Sub-Fund may not hold equity securities unless they are (a) related or incidental to loans or debt instruments held by the Sub-Fund; and (b) either (i) cash equivalents; (ii) received in lieu of debts previously contracted ("**DPC**") with respect to such loans or debt instruments; or (iii) received on customary terms in connection with such loans or debt instruments (generally not to exceed five percent of the value of the Sub-Fund's total related investment). In addition, in the case of DPC securities, the Sub-Fund will generally be prohibited from investing further capital in the issuer in the form of equity, except where such investment was necessary to prevent a total loss and/or facilitate an exit. As a result, under the Credit Fund Exclusion, the Sub-Fund may be forced to forgo certain opportunities to receive equity in connection with entering into a debt transaction or in connection with foreclosure or workout situation. Moreover, in order for Morgan Stanley to rely on the Credit Fund Exclusion, it and all of its Affiliates must limit their transactions with the Sub-Fund in the same manner as if the Sub-Fund were a covered fund. In general, 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 Sub-Fund. Subject to certain exceptions, this requirement prohibits extensions of credit to the Sub-Fund, purchases of assets from the Sub-Fund, the acceptance of the Sub-Fund's interests as collateral for a loan to any person, and the issuance of a guarantee, acceptance, or letter of credit on behalf of the Sub-Fund. The inability of Morgan Stanley to engage in such transactions could have a material adverse effect on the Sub-Fund. Despite the intention and expectation that the Sub-Fund will qualify for the Credit Fund Exclusion, it is possible that the Federal Reserve could determine that the Sub-Fund does not qualify. In addition, the law could change in a manner that renders the Sub-Fund ineligible. Finally, in the future, Morgan Stanley may determine that it is no longer advisable to manage the Sub-Fund in a manner that qualifies for the Credit Fund Exclusion. If the Sub-Fund were to be deemed a covered fund, the Volcker Rule would impose a number of restrictions on Morgan Stanley that affect the Sub-Fund, the

	Investment Manager, and the Shareholders. For example, any investment by Morgan Stanley in the Sub-Fund would be generally limited to no more than 3% of the ownership interests of the Sub-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 generally to no more than 3% of the Tier 1 capital of Morgan Stanley (the "**aggregate investment limit**"). Moreover, if the Sub-Fund were to be deemed a covered fund, no Morgan Stanley director or employee would be permitted to take or retain an ownership interest in the Fund, except for any director or employee who is directly engaged in providing investment advisory or other qualifying services to the Sub-Fund at the time the director or employee takes such interest. Accordingly, were the Sub-Fund to be deemed a covered fund Morgan Stanley would need to withdraw some (and, likely, a significant portion) of its interest in the Sub-Fund in order to satisfy the per-fund limit. Similarly, the interest of any Morgan Stanley director or employee who was not providing requisite services to the Sub-Fund at the time of investment would also need to be redeemed. Withdrawals by Morgan Stanley (and, potentially, certain of its directors or employees) could have a material adverse effect on the Sub-Fund. Moreover, going forward the withdrawal or default of an investor in the Sub-Fund may cause further withdrawals by Morgan Stanley in order to satisfy the per-fund limit. 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 Sub-Fund by Morgan Stanley or certain of its directors or employees would violate the aggregate investment limit and trigger further withdrawals. Morgan Stanley's interests in determining what actions to take in complying with the Volcker Rule may conflict with the interests of the Sub-Fund, the Board of Directors, the Investment Manager, and the Shareholders, all of which may be adversely affected by such actions. In addition, further restrictions and limitations may emerge due to additional regulatory guidance and interpretations or changes in law. Moreover, 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. For the avoidance of doubt: (i) any losses in the Sub-Fund will be borne solely by Shareholders in the Sub-Fund and not by Morgan Stanley or any of its Affiliates; therefore, Morgan Stanley's losses in the Sub-Fund will be limited to losses attributable to the ownership shares in the Sub-Fund held by Morgan Stanley and any Affiliate in its capacity as a Shareholder in the Sub-Fund (if any) or as beneficiary of a restricted profit share held by Morgan Stanley, or any Affiliate (if any); (ii) Shareholders should read the entire Prospectus together with this Supplement before investing in the Sub-Fund; and (iii) the ownership shares in the Sub-Fund are not insured by the Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.

Tax Considerations	**There are a series of complex issues related to an investment in the Sub-Fund. Prospective Shareholders are urged to consult their tax advisors with specific reference to their own situations concerning an investment in the Sub-Fund.** **The Sub-Fund is expected to be treated as an association taxable as a corporation for U.S. federal income tax purposes. Due to the nature of the Sub-Fund's investment strategy, it is not expected that the Sub-Fund will be treated as engaged in the conduct of a trade or business within the United States. However, the determination of whether the Sub-Fund will be treated as engaged in a U.S. trade or business will be based on an analysis of all the relevant facts and circumstances, including (i) the substantiality, continuity, and regularity of the Sub-Fund's activities constituting originations of debt investments, and (ii) where such activities are considered to take place, and the application of relevant legal authorities to the Sub-Fund's expected activities may, in some cases, be uncertain** **EACH SHAREHOLDER SHOULD REVIEW THE ENTIRE PROSPECTUS FOR A MORE DETAILED DISCUSSION OF THE TAX CONSIDERATIONS ASSOCIATED WITH AN INVESTMENT IN THE SUB-FUND.**
Risk Factors and Potential Conflicts of Interest	Please refer to Annex II (*Risk Factors and Potential Conflicts of Interest*) to this Supplement. Investment in the Sub-Fund entails a high degree of risk. No assurance can be given that the Sub-Fund will achieve its investment objective, return any capital to Shareholders, avoid substantial losses, or achieve its targeted returns and investment results may vary substantially over time. As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities and has extensive investment activities that are independent from (and may from time to time conflict with) those of the Sub-Fund. The Investment Manager can give no assurance that any conflicts of interest will be resolved in favour of the Sub-Fund or the Shareholders. Shareholders shall be required to agree that the activities of the Sub-Fund, the AIFM, the Investment Manager, Morgan Stanley, the Morgan Stanley Related Person and their respective employees and affiliates as expressly authorised by or contemplated by the Prospectus or Annex II (*Risk Factors and Potential Conflicts of Interest*) may be engaged in by such persons and, to the fullest extent permitted by law, will not, in any case or in the aggregate, be deemed a breach of the Prospectus or any other agreement contemplated therein or any duty that might be owed by any such person to the Fund, the Sub-Fund or to any partner in law or in equity or otherwise, and to the fullest extent permitted by law, that such persons shall not have any liability to the Fund, the Sub-Fund or any Shareholder for such actions in respect of such matter taken in good faith by them. On matters involving a conflict of interest not provided for in the Prospectus, each of the AIFM and the Investment Manager will be guided by its good faith judgment as to the best interests of the Sub-Fund and shall take such actions as are determined by the AIFM or the Investment Manager, as the case may be, to be necessary to ameliorate such conflicts of interest, and the AIFM or the Investment Manager may consult with the Board of Directors with respect to any matter as to which the AIFM or the Investment Manager determines in good faith that a material conflict of interest exists. If the AIFM or the

	Investment Manager acts as described above, if the Board of Directors approves a waiver of such conflict of interest or if the AIFM or the Investment Manager acts in a manner, or pursuant to standards or procedures, for which approval by the Board of Directors is obtained with respect to such conflict of interest, then, to the fullest extent permitted by law, none of the AIFM, the Investment Manager, Morgan Stanley, Morgan Stanley Related Persons or any of their respective employees or affiliates shall have any liability to the Sub-Fund or any Shareholder for such actions in respect of such matter taken in good faith by them, including actions in the pursuit of their own interests, and, to the fullest extent permitted by law, such actions shall not constitute a breach of this Prospectus or any other agreement contemplated herein or of any duty or obligation of such person at law or in equity or otherwise. Certain significant risks and potential conflicts of interest are described in more detail in Annex II (*Risk Factors and Potential Conflicts of Interest*). Each prospective Shareholder should carefully consider and evaluate such risks and conflicts prior to purchasing Shares in the Sub-Fund.
Selling Restrictions	Please refer to Annex VI (*Selling Restrictions*) to this Supplement.

ANNEX I
SHARE CLASSES*

Class	Currency	Type of Share	Hedged (H) / Non-hedged (N)	Min Investment**	Initial Issue Price	Management Fee	Incentive Fee	Servicing Fee
IA	EUR	Accumulation	N	€ 25,000	€ 100	1.25%	Yes	None
IHA (USD)	USD	Accumulation	H	€ 25,000	$ 100	1.25%	Yes	None
ID	EUR	Distribution	N	€ 25,000	€ 100	1.25%	Yes	None
IHD (USD)	USD	Distribution	H	€ 25,000	$ 100	1.25%	Yes	None
AA	EUR	Accumulation	N	€ 25,000	€ 100	1.25%	Yes	0.85%
AHA (USD)	USD	Accumulation	H	€ 25,000	$ 100	1.25%	Yes	0.85%
AD	EUR	Distribution	N	€ 25,000	€ 100	1.25%	Yes	0.85%
AHD (USD)	USD	Distribution	H	€ 25,000	$ 100	1.25%	Yes	0.85%
BA	EUR	Accumulation	N	€ 25,000	€ 100	1.25%	Yes	0.85%
BD	EUR	Distribution	N	€ 25,000	€ 100	1.25%	Yes	0.85%
BPA	EUR	Accumulation	N	€ 1,000,000	€ 100	1.25%	Yes	None
BPD	EUR	Distribution	N	€ 1,000,000	€ 100	1.25%	Yes	None
FA	EUR	Accumulation	N	€ 25,000	€ 100	None	No	0.85%
FBA	EUR	Accumulation	N	€ 25,000	€ 100	None	No	0.85%
FAD	EUR	Distribution	N	€ 25,000	€ 100	None	No	0.85%
FBD	EUR	Distribution	N	€ 25,000	€ 100	None	No	0.85%
FI	EUR	Accumulation	N	€ 25,000	€ 100	None	No	None
FID	EUR	Distribution	N	€ 25,000	€ 100	None	No	None
ISHD (USD)	USD	Distribution	H	€ 25,000	$ 100	None	No	None
S	EUR	Accumulation	N	€ 25,000	€ 100	None	No	None

*

The Sub-Fund currently offers the Share Classes as set out in this Annex I (*Share Classes*). The Board of Directors may, from time to time and at its discretion, create and offer the same Share Classes set out in this Annex I (*Share Classes*) with different currency or hedging features, and update the Supplement accordingly within a reasonable delay. A complete list of all available Share Classes offered by the Sub-Fund is maintained and is available at the registered office of the Fund.

**Note: a higher minimum investment may apply to certain Shareholders in certain countries, in accordance with local regulatory requirements. In such case, such higher minimum investment shall prevail. Further information may be found in Annex VI (*Selling Restrictions*) below.

ANNEX II
RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

In addition to the risks set out below, all risk factors and investment considerations detailed in the general part of the Prospectus of ***Cabot S.A. SICAV*** *should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realise an attractive rate of return or that there will be any return of capital.*

Prospective investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Fund, see sections 14 (Conflicts of Interest) and 16 (Certain Risk Considerations) of the Prospectus.

Nature of Debt Investments Generally. Certain of the Sub-Fund's Investments may be unsecured and may be structurally or contractually subordinated to substantial amounts of indebtedness, all, or a significant portion of which may be secured. Such Investments may not be protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there may be no minimum credit rating (or any credit rating) for such Investments. In addition, there have been a number of efforts by issuers to effect exchange offers for some of their unsecured or subordinated debt that have the effect of improving the position of the holders of that debt in the issuer's capital structure to the detriment of other debtholders. If an issuer of any of the Sub-Fund's Investments were successful in pursuing such an exchange offer, it is possible that the Sub-Fund's Investment may become subordinated to, or on parity with, the new debt obligations incurred in such exchange, which may adversely affect the market price of such Investment. Other factors may materially and adversely affect the market price and yield of such Investments, including, without limitation, investor demand, changes in the financial condition of Investee Companies, government fiscal policy and domestic or worldwide economic conditions. The market for relatively illiquid debt tends to be more volatile than the market for more liquid instruments.

Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on its debt and result in defaults on, and declines in, the value of its subordinated debt more quickly than in the case of the senior debt obligations of such issuer. The Sub-Fund may incur expenses if it is required to seek recovery upon default or to negotiate new terms with a defaulting Investee Company. In addition, a defaulted or non-performing Investment may be the subject of substantial and lengthy workout or restructuring negotiations. Such negotiations may result in a reduction of principal, delay in the payment of principal, change of interest rate and/or other substantial changes in terms that may affect the value of such Investment and the cash flows from such Investee Company. If the Sub-Fund does not provide a majority (or, in certain cases, a greater proportion) of such financing, it may not be able to control the restructuring of such debt or direct the exercise of remedies upon the occurrence of an event of default under such debt. The Sub-Fund's remedies with respect to the collateral securing such loan will be subject to the decisions made by other lenders to the Investee Company. Even where the Sub-Fund has effective control over the Investee Company, relevant jurisdictions may refuse to enforce certain remedies sought by the Sub-Fund. The level of risk associated with Investments in loans increases to the extent such Investments are loans of distressed or below investment grade companies.

There can be no assurance that an Investee Company will generate sufficient cash to service its debt obligations, and, in any such case, the Sub-Fund may suffer a partial or total loss of invested capital. The Sub-Fund's Investments may be subject to early redemption features, refinancing options,

prepayment options (including prepayment options with or without prepayment penalties imposed on the issuer) or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the Sub-Fund earlier than expected. This may happen, for example, when there is a decline in interest rates. In addition, depending on fluctuations of the equity markets, warrants and other equity securities held by the Sub-Fund may become worthless. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of investment transactions or payment in connection with such transactions as fraudulent conveyances or preferential payments under relevant creditors' rights laws or the subordination of claims under so-called "equitable subordination" common law principles, (ii) so-called "lender liability" claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Investments in debt instruments will entail normal credit risks (e.g., the risk of non-payment of interest and principal) and market risks (e.g., the risk that certain market factors will cause the value of the instrument to decline). A debt obligation that is fully bearing payment-in-kind (PIK) interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the issuer prior to maturity or refinancing. Debt instruments may be subject to fluctuations due to changes in interest rates and issuers' credit quality. Also, a default on debt that is held by the Sub-Fund or a sudden and extreme increase in prevailing interest rates may cause a decline in the Sub-Fund's asset value. Certain of the Sub-Fund's Investments may be in businesses with high levels of debt or may be Investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available cash flow. Investments in leveraged businesses are inherently more sensitive to declines in their revenues and to increases in their expenses. The issuer of a debt obligation may rely on interest and other fees paid on the debt obligation being deductible for tax purposes. Various tax rules may defer or preclude issuers from deducting interest on debt obligations. The inability of issuers to deduct interest may result in debt obligations being viewed less favourably by issuers and affect the debt markets.

Nature of Private Credit and Other Subordinated Investments. Private credit and other subordinated debt investments involve a high degree of risk with no certainty of any return of capital. Although debt obligations are senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are often unsecured. The ability of the subordinated debt holders to influence a company's affairs (including from an ESG perspective), especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the debt or other exercises by the subordinated creditors of their rights. Accordingly, the Sub-Fund may not be able to take the steps necessary to protect its investments in a timely manner or at all.

If an Investee Company becomes subject to insolvency proceedings in any jurisdiction, the rights of holders of private credit and subordinated debt may be adversely affected. Such proceedings and related laws and remedies may vary substantially from jurisdiction to jurisdiction, may create the right of such Investee Company to avoid certain unfavourable contracts or obligations and may result in significant delay and/or limitations on repayment of amounts owed to the Sub-Fund. With respect to the Sub-Fund's investments in the form of subordinated debt instruments, upon any distribution to the relevant issuer's creditors in a bankruptcy, liquidation or reorganisation or similar proceeding, the holders of such issuer's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on such Sub-Fund's investment. In the event of a bankruptcy, liquidation or reorganisation or similar proceeding relating to such a borrower, the Sub-Fund will typically participate with all other holders of such issuer's indebtedness in the assets remaining after the issuer has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). Such issuer may not have

sufficient funds to pay all of its creditors and the Sub-Fund may receive nothing, or less, rateably, than the holders of senior and/or secured indebtedness of such issuer or the holders of indebtedness that is not subordinated. The Sub-Fund may make equity investments in connection with its Private Investments. Certain debt investments may be convertible, by the terms thereof, into equity securities after a triggering event. Such convertible credit investments may be non-investment grade. These equity securities will generally be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless.

Failure to Be Fully Invested. There can be no assurance as to whether, and if so, when, the Sub-Fund will be fully invested. There is no assurance that suitable investment opportunities will be identified for the Sub-Fund and the performance of the Sub-Fund may be adversely affected if the Sub-Fund is not provided an appropriate volume of investment opportunities. Furthermore, the Investment Manager may use portions of the Subscription Amounts of all Shareholders, to be invested for an indefinite period in short-term instruments before suitable investments are identified for the investment of the capital. Investment in money market and other short-term instruments may reduce the overall return of the Sub-Fund's investment portfolio.

Failure by Affiliated Investment Account Investors to Meet Capital Calls of the Affiliated Investment Accounts. Failure by one or more investors in the Affiliated Investment Accounts to meet a capital call of such Affiliated Investment Accounts could have adverse consequences for the Sub-Fund. If the Affiliated Investment Accounts' investors default on their capital contribution obligations, such Affiliated Investment Accounts may be unable to raise sufficient capital to consummate a proposed investment, which could limit the Sub-Fund's ability to make that investment and thereby prevent the Sub-Fund from achieving the investment diversity and / or returns it desires. Furthermore, the Affiliated Investment Accounts may not have sufficient capital to contribute capital to existing portfolio companies necessary to ensure their ongoing financial stability, which could adversely affect the Sub-Fund to the extent it is invested in such portfolio companies alongside the Affiliated Investment Accounts.

Limited Number of Investments. The Sub-Fund will seek to be well diversified. However, in the event of a material demand for redemptions, the Sub-Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Sub-Fund may be substantially and adversely affected by the unfavourable performance of a single investment.

Unspecified Use of Proceeds. An investment in the Sub-Fund is intended for long-term investors who can accept the risks associated with indirectly investing in investments. Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments by the Sub-Fund and should expect to rely upon the Investment Manager to identify, structure and implement investments consistent with the Sub-Fund's investment objectives. No assurance can be given that the Sub-Fund will be successful in obtaining suitable investments or that, if the investments are made, the objectives of the Sub-Fund will be achieved, and that Shareholders will receive a return of their capital or that the Sub-Fund will avoid substantial losses.

Use of Intermediate Holding Entities. The Sub-Fund may establish intermediate holding entities to invest indirectly in investments or to undertake activities ancillary to the Sub-Fund's investment activity. An intermediate holding entity may be subject to restrictions on when and how much of its assets can be distributed and so the Sub-Fund may find that an intermediate holding entity has cash trapped in that intermediate holding entity for a significant period of time before it can be repatriated

or distributed directly or indirectly to the Sub-Fund. In addition, the board of directors or corresponding governing body of an intermediate holding entity may have the power to determine in its discretion the amount of income or gains of such intermediate holding entity that will be paid or distributed to the Sub-Fund.

Multi-Fund Investors/Strategic Partnerships. Morgan Stanley may enter into strategic partnerships or other multi-strategy or multi-asset class arrangements or investment programs directly or indirectly with investors that commit significant capital to a range of products, investment ideas and asset classes sponsored by Morgan Stanley (including an arrangement with a similar private credit strategy to the Sub-Fund). Such arrangements may include Morgan Stanley granting certain preferential terms to such investors, including, without limitation, discounts on and/or reimbursement of management fees and/or incentive fee applied to some or all of the relevant investment program and/or investment vehicles, secondment of personnel from the investor to Morgan Stanley (or vice versa) as well as targeted amounts for co-investments alongside Morgan Stanley funds. Such preferential terms are generally not subject to the "most favoured nation" provisions, if applicable, of the governing documents of the Sub-Fund and therefore will not be available to the Shareholders.

Risk of Sub-Fund Leverage. The Sub-Fund may (directly or indirectly) incur a substantial amount of leverage in connection with Investments. This leverage will increase the exposure of the Sub-Fund to adverse economic factors such as rising interest rates, economic downturns or deteriorations in the condition of its Investments or the industries in which they operate. The percentage of leverage used by the Sub-Fund will vary depending on a number of factors, including the Sub-Fund's ability to obtain a credit facility on terms that the AIFM and/or the Investment Manager deems appropriate, which, in turn, may depend on the lenders' and rating agencies' estimate of the creditworthiness of the Sub-Fund and the quality of any collateral available to secure such credit facility. There can be no assurance that the Sub-Fund will be able to obtain, or will obtain, leverage on favourable terms, or at all. For example, the Sub-Fund may not be able to obtain or maintain a credit facility as a result of changes in applicable laws, rules or regulations, or otherwise, or due to general economic conditions, and the availability of leverage is expected to be affected by repercussions in the financial system resulting from the impact of inflation, the Russian invasion of Ukraine, and NATO and the international community's response thereto or to any similar political or military conflict, and the COVID-19 or any similar pandemic, including supply chain disruptions caused by the foregoing. Moreover, market conditions or other factors may cause or permit the amount of leverage employed by the Sub-Fund to fluctuate over their respective terms. If the Sub-Fund can obtain leverage, there can be no assurance that the Sub-Fund will be able to obtain commitments for debt facilities in connection with making investments on terms that are favourable for the Sub-Fund, similar to terms available to competitors or similar to what may have been available prior to the current economic and geopolitical uncertainties and the COVID-19 pandemic. In addition, the terms of debt facilities may impose additional limitations on the operations of the Sub-Fund and may not be as favourable to the Sub-Fund as the terms of other indebtedness currently available in the market for private credit funds or business development companies that invest in senior loans or similar debt obligations.

Also, there can be no assurance that the conditions to drawing under any debt facilities will be satisfied by the Sub-Fund at any time or that the one or more lenders will not fail to fund advances to the Sub-Fund in connection with the Sub-Fund's debt facilities. Prospective investors should not expect that Morgan Stanley can or will lend money to the Sub-Fund for any purpose. The failure or inability by the Board of Directors, Morgan Stanley or their Affiliates, on behalf of the Sub-Fund, to borrow debt on favourable terms (or at all) could adversely affect the returns of the Sub-Fund and impair their ability to achieve its investment objectives.

To the extent the AIFM (or its delegate), acting on behalf of the Sub-Fund does not employ long-term Sub-Fund-level leverage with respect to its portfolio (or employ less leverage than originally

anticipated), the Sub-Fund's investment returns may be lower than those that might have been achieved using long-term Sub-Fund-level leverage.

The Sub-Fund may be required to maintain minimum average cash balances in connection with borrowings under a credit facility. The return on the Sub-Fund's Investments may be reduced to the extent that the Sub-Fund is required to incur losses on their Investments in order to comply with the payment or other terms of its credit facilities. Any inability of the Sub-Fund to repay such borrowings in accordance with the terms of the relevant credit facilities could enable the applicable lenders to take action against any collateral pledged by the Sub-Fund to secure such credit facilities, resulting in further losses to the Sub-Fund and/or the Shareholders in the Sub-Fund.

In order to develop a portfolio of assets to serve as collateral, the Sub-Fund expects to make several investments prior to entering into asset-back leverage facilities. In the meantime (as well as thereafter) the Sub-Fund may utilise subscription facility financing to fund investments.

In addition, any leverage incurred by the Sub-Fund could have other significant adverse consequences to the relevant Shareholders, including, but not limited to, the following: (i) greater fluctuations in the Net Asset Value of the Sub-Fund (as gains made with borrowed funds generally would cause the Sub-Fund's value to increase faster than without borrowed funds or than if the Sub-Fund had incurred less leverage, whereas losses incurred with borrowed funds would cause the Sub-Fund's value to decrease faster and more significantly than without the use of borrowed funds); (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional Investments, distributions to the Shareholders, or other purposes which funds may not be recovered through returns on investments and which may reduce the actual returns realised by investors when compared to situations where there was no borrowing or where borrowed funds were returned at an earlier date; (iii) a requirement to subordinate investors' rights or claims against the Sub-Fund to the rights or claims of lenders or other providers of leverage; (iv) increased interest expense if interest rate levels were to increase without a corresponding increase in the interest rate applicable on the underlying Investments, thereby reducing the net spread earned by the Sub-Fund; (v) in certain circumstances, prematurely disposing of underlying Investments to service the Sub-Fund's debt obligations or meet financial ratio requirements; (vi) to the extent that the Sub-Fund's revenues are required to meet principal payments, investors may be allocated income (and therefore incur tax liability) in excess of cash available for distribution, (vii) limitations on the activities of the Sub-Fund, including flexibility of the Sub-Fund to make distributions to its investors or sell assets that secure or otherwise support the indebtedness; (viii) during the term of any borrowing, the Sub-Fund may be subject to increased costs attributable to changes in applicable laws or regulations, possibly including a gross-up for taxes that may be payable as a result of any such change in law, and any such increased costs may materially reduce the Sub-Fund's returns; (ix) impairment of the liquidity or losses arising from the premature sale of the investments that secure or otherwise support such indebtedness; and (x) potential adverse tax consequences.

In selecting investments on behalf of the Sub-Fund, the Investment Manager aims to construct a portfolio of investments that will generate sufficient cash flow to service the Sub-Fund's debt service obligations without having to refinance, restructure or liquidate assets to meet such obligations. However, there can be no assurance that the Investment Manager will be able to identify and construct such a portfolio, and there can be no assurance that the Sub-Fund will have sufficient cash flow or be able to refinance, restructure or liquidate sufficient assets to meet their debt service obligations. In addition, the Sub-Fund may need to refinance their outstanding debt as it matures and financing obtained at the time of investment may not be available for the life of the asset. There is a risk that current availability of debt finance will not continue in the future and that the Sub-Fund may not be able to refinance existing debt or that the terms of any refinancing may not be as favourable as the terms of the existing loan agreements, including with respect to the maximum effective rate of

leverage that may be applied to the Investments. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the Sub-Fund's financial condition, cash flows and the return on their investments.

If the Sub-Fund does not have sufficient cash flow to meet its debt service obligations, the Sub-Fund may be required to realise investments prematurely or in unfavourable market conditions in order to service their debt obligations, and in such circumstances the recovery the Sub-Fund receive from such realisations may be significantly diminished as compared to the Sub-Fund's expected return on such investments.

In addition, certain types of financing obtained by the Sub-Fund may include mandatory prepayment provisions that allow the lenders to demand partial or full repayment of financing if certain events occur, such as a significant reduction in the value of the investments pledged by the Sub-Fund to secure or that otherwise support such financing. If the Sub-Fund is unable to meet such a prepayment obligation, they may be required to liquidate investments at disadvantageous prices in order to raise the funds needed to repay asset-based debt, and if such failure to pay results in an event of default, may result in the loss of the collateral securing the financing facility.

In the event of a failure to pay or other default under any financing facility, the lenders would likely have certain remedies with respect to the Sub-Fund's assets, including the right to sell investments in order to raise funds to repay amounts outstanding under such financing. In the event the lenders require the Sub-Fund to sell some or all of their investments or foreclose on those investments prematurely, the Sub-Fund will likely suffer losses.

In addition, the Sub-Fund and an Affiliated Investment Account may (directly or indirectly) enter into asset-backed leverage arrangements guaranteed on a cross-collateralised basis by assets jointly owned by the Sub-Fund and such Affiliated Investment Account (and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such asset-back leverage arrangements). Proceeds from such asset-back leverage arrangements may be used for a number of purposes including, without limitation, to fund redemptions of Shares by the Sub-Fund and/or similar instruments by the Affiliated Investment Account including in the absence of a disposition of assets. A portion of the Sub-Fund's share of proceeds from any asset-back leverage arrangements may therefore be used to fund redemptions of an Affiliated Investment Account. The poor performance of one or more Investee Companies may negatively affect the Sub-Fund more than the Affiliated Investment Account, thus impacting the Sub-Fund's financial condition, cash flows and the return on investments.

EU Securitisation Rules and UK Securitisation Rules. Certain restrictions and obligations with regard to securitisations (as defined for purposes of the relevant legislation) are imposed: (a) in the European Union, pursuant to Regulation (EU) 2017/2402 and related technical standards (in each case, as amended, and collectively the "**EU Securitisation Rules**"); and (b) in the United Kingdom, pursuant to the Securitisation Regulations 2024 and related rules made by each of the Financial Conduct Authority and the Prudential Regulation Authority (in each case, as amended, and collectively the "**UK Securitisation Rules**").

The EU Securitisation Rules impose certain requirements (the "**EU Investor Requirements**") on institutional investors, as defined for purposes of the EU Securitisation Rules; and the UK Securitisation Rules impose certain requirements (the "**UK Investor Requirements**") on institutional investors, as defined for purposes of the UK Securitisation Rules.

In each case, an institutional investor, for these purposes, is a person holding a securitisation position (i.e., an exposure to a securitisation) and which is an entity of a prescribed type. Under the EU Securitisation Rules, relevant entities ("**EU Institutional Investors**") include (subject to the terms of the EU Securitisation Rules, and as defined or described in relevant legislation) insurance undertakings, institutions for occupational retirement provision, certain alterative investment fund managers, internally-managed UCITS and UCITS management companies, credit institutions and investment firms. Under the UK Securitisation Rules, relevant entities ("**UK Institutional Investors**") include (subject to the terms of the UK Securitisation Rules, and as defined or described in relevant legislation) insurance undertakings, trustees and managers of occupational pension schemes, certain AIFMs, UCITS and management companies in respect of UK UCITS, CRR firms and FCA investment firms.

The obligations imposed by the EU Investor Requirements differ, in certain respects, from those imposed by the UK Investor Requirements. In summary, however, EU Institutional Investors and UK Institutional Investors (collectively, "**Affected Investors**") are required (amongst other things) (a) prior to holding a securitisation position, to verify certain matters, including that (i) except in specified cases, certain credit-granting requirements are satisfied, (ii) prescribed risk-retention requirements are satisfied, such that the originator, sponsor or original lender (each as defined in the relevant legislation) retains a material net economic interest in the securitisation of not less than 5%, in accordance with the relevant rules and (iii) the originator, sponsor or securitisation special purpose entity (i.e., typically, the issuer or borrower) makes information available in accordance with the relevant rules; and (b) while holding a securitisation position, to establish procedures for ongoing monitoring of (i) compliance with the EU Investor Requirements or the UK Investor Requirements (as applicable) and (ii) the performance of the securitisation position and the underlying exposures.

The AIFM is an EU Institutional Investor. Accordingly, it is not permitted to cause the Sub-Fund to acquire or hold any securitisation position unless the EU Investor Requirements are satisfied in respect of the relevant Investment. The obligation to ensure compliance with the EU Investor Requirements may result in additional costs being incurred (for example, in assessing and verifying compliance). In the case of certain proposed Investments that are securitisations within the meaning of the EU Securitisation Rules, it may not be possible to satisfy the EU Investor Requirements (for example, where there is no provision for risk-retention in accordance with the rules); and this may limit the AIFM's flexibility in selecting Investments for the Sub-Fund. If the EU Investor Requirements cease to be satisfied in respect of any securitisation position following its acquisition by the Sub-Fund, it may be necessary for the AIFM to take corrective action in the best interest of Shareholders (e.g., by divesting the Sub-Fund of the relevant Investment). These matters may have an adverse effect on the Sub-Fund.

In addition, each of the EU Securitisation Rules and the UK Securitisation Rules impose directly on originators, original lenders, sponsors and securitisation special purpose entities (collectively, the "**Sell-side Entities**") participating in securitisations certain requirements with regard to (amongst other things) risk-retention, credit-granting standards and transparency and reporting (the "**Sell-side Requirements**").

If the Sub-Fund participates in a securitisation as a Sell-side Entity, it will be subject to the relevant Sell-side Requirements under the EU Securitisation Rules. It may also undertake to comply with the corresponding Sell-side Requirements under the UK Securitisation Rules, to facilitate compliance with the UK Investor Requirements by any UK Institutional Investor proposing to invest in the relevant securitisation.

The obligation (or undertaking) to ensure compliance with relevant Sell-side Requirements may result in additional costs being incurred (for example, in funding the acquisition and holding of the interest required to be held for risk-retention purposes or in generating the required reporting). Compliance with the risk-retention requirement will restrict the Sub-Fund's ability to dispose of the assets comprising the retained interest. If the Sub-Fund is unable to ensure compliance with any relevant Sell-side Requirements, it may be unable to participate in the relevant securitisation. These matters may have an adverse effect on the Sub-Fund.

If Shareholders that are Affected Investors are, or consider themselves to be, holding securitisation positions by virtue of their holding of Shares and the Sub-Fund's holding of securitisations, and they are, or consider themselves to be, unable to comply with any applicable EU Investor Requirements or UK Investor Requirements in respect of such securitisation positions, they may seek to redeem or transfer their Shares in order to mitigate the risk of becoming subject to regulatory sanctions or penalties, or being required to take remedial action, as a consequence of being in breach of such requirements. This may have an adverse effect on the Sub-Fund.

Highly Competitive Market for Investment Opportunities. The business of identifying and structuring Investments of the types contemplated by the Sub-Fund is competitive and involves a high degree of uncertainty. The Sub-Fund will be competing for investments with other investment funds, as well as more traditional lending institutions and other direct-lending focused competitors. Over the past several years, an increasing number of private credit and hedge funds have been formed with investment objectives similar to, or overlapping with, those of the Sub-Fund (and many such existing funds have grown in size). As a result of the recent dislocations in the credit market, other firms and institutions are seeking to capitalise on the perceived opportunities with vehicles, funds and other products that are expected to compete with the Sub-Fund for investments. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than the Sub-Fund, and thus these competitors may have advantages not shared by the Sub-Fund. In addition, issuers may prefer to take advantage of favourable high-yield markets and issue debt in those markets, which could result in fewer investment opportunities for the Sub-Fund. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the sponsors or borrowers of a particular target investment, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Investment Manager or the Board of Directors. Strong competition for investments could result in fewer investment opportunities for the Sub-Fund. The availability of investment opportunities generally will be subject to market conditions as well as, in many cases, the prevailing regulatory or political climate. The Investment Manager may identify an investment that presents an attractive investment opportunity but may not be able to complete such investment in a manner that meets the objectives of the Sub-Fund. The Sub-Fund may incur significant expenses in connection with the identification of investment opportunities and investigating other potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, and legal, accounting, and other professional services as well as the fees of other third-party advisors. No assurance can be given that the Sub-Fund will be successful in obtaining suitable investments, or that if such Investments are made, the objectives of the Sub-Fund will be achieved.

Hedging Transactions. In relation to currency hedging undertaken, if any, for the purposes of a Hedged Share Class, Shareholders should note that Share Classes do not constitute separate portfolios of assets and liabilities. Accordingly, while gains and losses on the hedging transactions and the expenses of the hedging program will be allocated to the Hedged Share Classes only, the Sub-Fund, as a whole (including the non-Hedged Share Classes), may be liable for obligations in connection with currency hedges in favour of a specific Share Class.

Distributions In Kind. Although the Board of Directors expects that distributions prior to the dissolution of the Sub-Fund will generally be made in cash or marketable securities, upon dissolution of the Sub-Fund, distributions may include restricted securities or other assets of the Sub-Fund. In the event that an in kind distribution is made, the relevant assets shall be deemed to have been sold at their fair value as determined by the AIFM in accordance with the Valuation Policy and confirmed by the Auditor, and the proceeds of such sale shall be deemed to have been distributed in the form of distributable cash to the Shareholders. If Investments are distributed in-kind, there can be no assurance that any Shareholder would be able to dispose of these Investments or that the value of these Investments determined for purposes of the determination of distributions will ultimately be realised. The risk of loss and delay in liquidating securities or other assets distributed in-kind will be borne by the recipient Shareholders, with the result that such Shareholders may receive less cash than was reflected in the fair value of such securities or other assets as determined by the Board of Directors pursuant to the Articles of Association.

Debt Securities. The Sub-Fund may invest in debt securities and instruments, which may or may not be secured by the assets of the issuer. Certain of the debt instruments in which the Sub-Fund invests may be unrated, and whether or not rated, the debt instrument may have speculative characteristics. The issuers of such instruments may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. In addition, future market factors could continue to disrupt the market for these securities and may have an adverse impact on the value of such instruments. It is also likely that any such additional economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Nature of Investment in Secured Loans. The assets of the Sub-Fund's portfolio are expected to primarily include secured loans. The factors affecting an issuer's secured loans, and its overall capital structure, are complex and may differ from the general structure outlined in this Supplement and Prospectus. Not all secured loans have priority over all other unsecured debt of an issuer. For example, some secured loans may involve liens only on specified assets of an issuer. The imposition of priority liens on the Sub-Fund's collateral would adversely affect the priority of the liens and claims held by the Sub-Fund and could adversely affect the Sub-Fund's recovery on its debt investments.

Although the Sub-Fund may make investments that the Investment Manager believes are secured by specific collateral, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Sub-Fund could experience delays or limitations with respect to its ability to realise the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Sub-Fund. Moreover, the Sub-Fund's investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Sub-Fund may not have priority over other creditors as anticipated. Underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow the Sub-Fund to withstand certain assumed deficiencies in payments occasioned by the issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Sub-Fund in respect of its investment. In addition, many secured credit facilities contain accordion provisions that allow for increased borrowing under such facilities, which would dilute the value of the collateral securing such borrowing and increase the risk that such loans would be under-secured.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing the facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments or the exercise of remedies. As a result of these voting regimes, the Sub-Fund may not have the ability to control decisions in respect of certain amendment, waiver, exercise of remedies, restructuring or reorganisation of debts owed to the Sub-Fund.

Second-Lien Debt. The Sub-Fund's investments in second-lien loans will entail risks, including (i) the subordination of the liens securing the Sub-Fund's claims to a senior lien in terms of the coverage and recovery of the collateral and (ii) the prohibition of, or limitation on, the right to foreclose on a second lien or exercise other rights as a second-lien holder (including unsecured creditors' rights). In certain cases, therefore, no recovery may be available from a defaulted second-lien loan. The level of risk associated with investments in second-lien loans increases to the extent such investments are loans of distressed or below-investment grade companies.

Options and Warrants. The Sub-Fund may receive, or purchase options and warrants as part of a private credit or senior debt investment or purchase options or warrants to hedge securities obtained in the course of its investment activities. The successful use of options depends principally on the price movements of the underlying securities. In addition, if the Sub-Fund purchases an option, it will run the risk that it will lose its entire investment in the option in a relatively short period of time, unless the Sub-Fund exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the Sub-Fund will lose part or all of its respective investments in the option. There is no assurance that the Sub-Fund will be able to effect closing transactions at any particular time or at any acceptable price.

Investments That May Become Distressed. The Sub-Fund may make Investments that become distressed due to factors outside of the Investment Manager's control. No assurance can be given that there will be sufficient collateral to cover the value of the Sub-Fund's Investments or that there will be a successful reorganisation or similar action of an Investment that becomes distressed. In any liquidation or reorganisation proceeding relating to an Investment, the Sub-Fund may lose its entire investment and may be required to accept payment over an extended period of time and/or to accept cash or securities with a lesser value than the Sub-Fund's original investment. As a result, the returns generated from the Sub-Fund's Investments may not compensate the Shareholders adequately for their assumed risks. For instance, at times, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims disallowed, or subordinated, or may be found liable for damage suffered by parties as a result of such actions. Additionally, with respect to an Investment's insolvency, payments to the Sub-Fund and distributions by the Sub-Fund to the Shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in restructurings may be subject to various laws enacted in the countries of their issuance for the protection of debtors. These considerations will differ based on each Investee Company's location or domicile.

Troubled company and other asset-based investments require active monitoring and may, at times, require the Investment Manager to participate in business strategy or reorganisation proceedings. To the extent that the Investment Manager becomes involved in such proceedings, the Sub-Fund may participate more actively in the affairs of such company than a Shareholder generally anticipated. Furthermore, involvement by the Investment Manager in an Investee Company's reorganisation proceedings could result in the imposition of restrictions limiting the Sub-Fund's ability to liquidate their position in the Investment. Such investments would likely take more time to realise before

generating any returns and may not pay current proceeds during the course of reorganisation, which would delay the return of capital to Shareholders.

Potential Involvement in Litigation. As a consequence of credit problems with Investee Companies and the possibility that the Sub-Fund may participate in restructuring activities, it is possible that the Sub-Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaim against the Sub-Fund and ultimately judgments may be rendered against the Sub-Fund for which the Sub-Fund may not carry insurance.

Credit Risk. One of the fundamental risks associated with the Sub-Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. The Sub-Fund's return to investors would be adversely impacted if an issuer of debt securities in which the Sub-Fund invests becomes unable to make such payments when due. Certain investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, an Investee Company's ability to repay the principal of an investment may be dependent upon the ability to refinance or a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Guarantees of Certain Investments. Guarantees by subsidiaries or other affiliates of Investee Companies that are the issuers of investments may be subject to fraudulent conveyance or similar avoidance claims made by other creditors of such subsidiaries or other affiliates resulting in such creditors taking priority over the claims of the Sub-Fund under such guarantees. Under U.S. federal or state fraudulent transfer law, a court may void or otherwise decline to enforce such guarantees, and as a result the Sub-Fund would no longer have any claim against the applicable guarantor. Sufficient funds to repay the investments may not be otherwise available to the applicable Investee Company that are the issuers thereof. In addition, the court might direct the Sub-Fund to repay back to the Investee Company amounts that the Sub-Fund already received from the borrower or a guarantor. The repayment of the Sub-Fund's investments may depend on cash flow from subsidiaries of Investee Companies that are not themselves guarantors of the parent company's obligations or that can be released as guarantors of the parent company's obligations.

Collateral Securing Investments. Investments that are secured may also be subject to the risk that the security interests granted by the Investee Company obligors in the underlying collateral are not properly or fully perfected in favour of lenders (or their agent). Compounding these risks, the collateral securing the secured investments may be subject to casualty, impairment or devaluation risks.

The Investee Companies may also be permitted to issue additional indebtedness that would increase the overall leverage and fixed charges to which the Investee Companies are subject. Such additional indebtedness could have structural or contractual priority, either as to specific assets or generally, over the ranking of the investments held by the Sub-Fund or could rank on a parity or seniority basis with respect to the investments. In the event of any default, restructuring or insolvency event of the Investee Company, the Sub-Fund could be subordinated to, or be required to share on a rateable basis, with any recoveries in favour of the holders of such other or additional indebtedness. If an Investee Company issues second lien indebtedness, the Sub-Fund's recoveries under any investments constituting first lien indebtedness may be impaired as a result of the rights of holders of any second lien indebtedness under any intercreditor agreement governing the relative rights of the first and second lien indebtedness.

Cross-Guarantees and Cross-Collateralisation. In connection with seeking financing (or refinancing), it may be the case that better financing terms are available when more than one Investee

Company provides collateral, particularly in circumstances where the assets of each Investee Company are similar in nature. As such, rather than seeking such financing or refinancing on its own, an Investee Company may enter into cross-collateralisation arrangements with another Investee Company or Investee Companies of one or more Affiliated Investment Accounts. As a result of any cross-collateralisation, the Sub-Fund could also lose its interests in otherwise performing investments due to poorly performing or non-performing investments of Affiliated Investment Accounts.

It is also possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one Investee Company or group of Investee Companies, which will typically result in (i) any of an Investee Companies or a portfolio entity of an Affiliated Investment Account being solely liable with respect to its own and such Affiliated Investment Account's portfolio entity's share of the applicable obligation and therefore, being required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such Affiliated Investment Account's portfolio entity is unable to repay its pro rata share of such indebtedness and/or (ii) any of the Investee Companies and such Affiliated Investment Account's portfolio entity being jointly and severally liable for the full amount of such applicable obligation or liable on a cross-collateralised basis on an investment-by-investment or portfolio wide basis or liable for an equity cushion (which cushion amount may vary depending upon the type of financing or refinancing (e.g., cushions for refinancings may be smaller)), in each case which may result in the Investee Company and such Affiliated Investment Account's portfolio entity entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that the Sub-Fund or such Affiliated Investment Account or Investee Companies would be compensated (or provide compensation to the other) from being primarily liable vis-à-vis such third-party counterparty.

Loans – Security. Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to loans is gained by purchase of participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to the Sub-Fund for monies received in respect of loans directly held by it. In analysing each loan or participation, the Investment Manager will compare the relative significance of the risks against the expected benefits of the investment.

Assignments and Participations. The Investment Manager, on behalf of the Sub-Fund, may acquire investments directly (by way of assignment) or indirectly (by way of participation). As described in more detail below, holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a debt obligation.

The purchaser of an assignment of a loan obligation typically succeeds to all the rights and obligations of the selling institution and becomes a party to the applicable documentation relating to lender under the loan or credit agreement with respect to the loan obligation. In contrast, participations ("**Participations**") acquired by the Sub-Fund in a portion of a loan obligation held by a selling institution (the "**Selling Institution**") typically result in a contractual relationship only with such Selling Institution, not with the obligor. The Sub-Fund would have the right to receive payments of principal, interest and any fees to which it is entitled under the Participation only from the Selling Institution and only upon receipt by the Selling Institution of such payments from the obligor. In purchasing a Participation, the Sub-Fund generally will have no right to enforce compliance by the obligor with the terms of the loan or credit agreement or other instrument evidencing such loan obligation nor any rights of set-off against the obligor, and the Sub-Fund may not directly benefit from the collateral supporting the loan obligation in which it has purchased the Participation. As a result, the Sub-Fund will assume the credit risk of both the obligor and the Selling Institution, which will remain the legal owner of record of the applicable loan obligation. In the event of the insolvency of the Selling Institution, the Sub-Fund may be treated as a general creditor of the Selling Institution in respect of

the Participation, may not benefit from any set-off exercised by the Selling Institution against the obligor and may be subject to any set-off exercised by the obligor against the Selling Institution. In addition, the Sub-Fund may purchase the Participation from a Selling Institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower.

In addition, when the Sub-Fund holds a Participation in a loan obligation, the Sub-Fund may not have the right to vote to waive enforcement of any default by an obligor. Selling Institutions commonly reserve the right to administer the loan obligations sold by them as they see fit and to amend the documentation evidencing such loan obligations in all respects. A Selling Institution may have interests different from those of the Sub-Fund, and the Selling Institution might not consider the interests of the Sub-Fund when taking actions with respect to the loan underlying the Participation. In addition, some participation agreements that provide voting rights to the participant further provide that if the participant does not vote in favour of amendments, modifications or waivers, the Selling Institution may repurchase such Participation at par. Assignments and participations are typically sold strictly without recourse to the seller thereof, and the seller will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans.

The risk management system and the procedures established in respect of the Sub-Fund comprise, among others, (i) procedures for periodic monitoring and evaluation of the evolution of loan quality in order to determine, as necessary, the appropriate levels of impairment in value of loans; and (ii) procedures for periodic monitoring of appropriate diversification regarding borrowers (risks associated with e.g. “borrower correlation” or “connected group of borrowers” should be taken into account).

As regards collateral and loan collection, the following procedures have been established by the Investment Manager in respect of the Sub-Fund, among others: (i) procedures to verify and ensure the existence, quality and valuation of collateral, if any, until the loan’s maturity date; (ii) procedures regarding enforcement of collateral arrangements, where applicable, and loan collection/recovery; and (iii) procedures to mitigate maturity transformation.

Loan participation risk The Sub-Fund may not always have direct recourse against a borrower if the borrower fails to pay scheduled principal and interest. Where the Sub-Fund lacks direct recourse, the Sub-Fund will look to an agent for the lenders to enforce appropriate credit remedies against the borrower. The Sub-Fund may be subject to greater delays, expenses and risks than would have been involved if the Sub-Fund had purchased a direct obligation of the borrower. Under the terms of certain loan participations, the Sub-Fund may be regarded as a creditor of the agent lender rather than of the underlying borrower, and therefore may be subject to the risk that the agent lender may become insolvent.

Reliance on Management of Investee Companies. While the Investment Manager intends to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although the Investment Manager will monitor the performance of each investment, the Sub-Fund will rely upon management to operate the Investee Companies on a day-to-day basis and, in certain cases, upon equity sponsors who control the boards of directors of the Investee Companies to select qualified management for such companies. The management and the boards of directors of the Investee Companies may include representatives of other financial investors whose interests may at times conflict with the Sub-Fund’s interests. There can be no assurance that each investment will perform successfully or as planned. To the extent management engages in misconduct, the Investment Manager may not be able to detect such misconduct in time to prevent significant losses and, as a result, such misconduct could have a

material adverse effect on the Sub-Fund. In addition, certain of the Sub-Fund's investments may be in businesses with limited operating histories.

Risks Relating to Investee Company Reputation. If an Investee Company fails to maintain the strength and value of the Investee Company's historic brand, its value is likely to decrease. An Investee Company's success often depends on the value and strength of its brand. In such cases, the name of such Investee Company is integral to its business as well as to the implementation of its strategies for expanding its business. Maintaining, promoting and positioning such brand can depend largely on the success of marketing efforts and its ability to provide consistent, high quality merchandises, services and / or customer experience. An Investee Company's brand could be adversely affected if it fails to achieve these objectives or if its public image or reputation were to be tarnished by negative publicity. Any of these events could result in decreases in value of investments in an Investee Company.

Sub-Fund's Lack of Control Over Investments; Minority Investor. There are numerous circumstances under which the Sub-Fund may not have complete or even partial control over decisions affecting an Investment. For example, the Sub-Fund, may originate or acquire an Investment that represents a minority position in a debt tranche where third-party investors may control amendments or waivers or enforcement. In addition, administrative agents may be appointed under certain facilities in which the Sub-Fund may invest that have discretion over certain decisions on behalf of the investors, including the Sub-Fund.

The Sub-Fund may also originate or acquire an Investment and enter into an intercreditor agreement or similar arrangement with other lenders. The terms of any such intercreditor agreement or similar arrangement may grant one or more of the other lenders the right to make certain decisions on behalf of or at the exclusion of the other lenders, including the Sub-Fund. Consequently, the terms and conditions of an Investment could be modified, amended, or waived in a manner contrary to the preferences of the Sub-Fund if the amendment, modification or waiver of such term or condition does not require the consent of the Sub-Fund. Furthermore, the terms of any such intercreditor agreement or similar arrangement may substantially restrict the ability of the Sub-Fund to pursue its remedies in respect of an Investment, and the Sub-Fund may realise fewer proceeds from such Investment as a result.

For these reasons, the Sub-Fund may also be limited in its ability to obtain ongoing or periodic ESG information from Investments or to take appropriate action if an Investment declines from an ESG perspective and/or no longer meets its Article 8 SFDR characteristics.

Uncertainty of Financial Projections. The Investment Manager will generally make investment decisions on the basis of financial projections for prospective Investee Companies. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Expedited Transactions. Investment analyses and decisions by the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Investment Manager at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Investment Manager will have knowledge of all circumstances that may adversely affect an Investment, and the Sub-Fund may make investments which it would not have made if more extensive

due diligence had been undertaken. In addition, the Investment Manager may rely upon independent consultants and advisors in connection with its evaluation of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and advisors or to the Sub-Fund's right of recourse against them in the event errors or omissions do occur.

Lack of Maintenance Financial Covenants. A majority of debt issued in the past several years has imposed less stringent covenants on the issuers of that debt than covenants included in the terms of debt offered in previous periods, and such "covenant lite" debt may not obligate the Investee Companies to observe and maintain financial ratios or other financial maintenance covenants. These flexible covenants (or the absence of covenants) could cause Investee Companies to experience a significant downturn in their results of operations without triggering any default that would permit holders of the senior secure debt (such as the Sub-Fund) to accelerate indebtedness or negotiate terms and pricing. Such a delay or inability to the exercise of remedies may lower the ultimate recoveries received by the Sub-Fund in any insolvency or restructuring of indebtedness of the Investee Companies.

Risk of Liability. A concern with certain of the types of investments contemplated by the Sub-Fund is the possibility of becoming subject to unknown liabilities, with limited recourse (or no recourse) against the prior owners of the investments, and no assurance can be given that the Investment Manager will have an understanding of all circumstances that may adversely affect an investment. The Sub-Fund will rely upon the accuracy and completeness of representations made by sellers or borrowers, but cannot guarantee such accuracy or completeness. Moreover, the Sub-Fund's recourse will be subject to customary limitations. As a result, the Sub-Fund may bear the responsibility for substantial liabilities that are unknown at the time of investment and the Sub-Fund may be required to expend a significant amount of money to contest or settle third-party claims relating to such liabilities. There can be no assurance that the Sub-Fund will be able to detect or prevent any issues or irregularities with respect to an investment during the due diligence phase or during its efforts to monitor an investment on an ongoing basis or that any risk management procedures implemented by the Sub-Fund will be adequate. In the event of fraud by any investment or any of its affiliates, the Sub-Fund may suffer a partial or total loss of capital invested in that investment. An additional concern is the possibility of material misrepresentation or omission on the part of the investment, the seller or the borrower. Such inaccuracy or incompleteness may adversely affect the value of the investments. The Sub-Fund may rely upon the accuracy and completeness of representations made by portfolio entities and / or their former owners or creditors in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Limited Amortisation Requirements. The Sub-Fund intends to invest primarily in senior secured debt that will typically have limited mandatory amortisation and interim repayment requirements. A low level of amortisation of any senior debt over the life of the investment may increase the risk that an Investee Company will not be able to repay or refinance the senior debt held by the Sub-Fund when it comes due at its final stated maturity.

Debt Regulation Risk. As a result of its activities, it is possible that the Sub-Fund could be deemed to be engaged in the origination of debt securities for purposes of the applicable laws in jurisdictions in which such activities take place. Such laws are often highly complex and may include licensing requirements. The licensing process can be lengthy and can be expected to subject a debt originator to increased regulatory oversight. In some instances, the process for obtaining a required license or exception certificate may require disclosure to regulators or to the public of information about the Sub-Fund, its direct or indirect investors, its loans, is business activities, its management or controlling

persons or other matters. Such disclosures may provide competitors with information that allows them to benefit at the expense of the Sub-Fund, which could have a material adverse effect on the Sub-Fund. Failure, even if unintentional, to comply fully with applicable laws may result in sanctions, fines, or limitations on the ability of the Sub-Fund, the Board of Directors, the Investment Manager, Morgan Stanley, or Affiliates of the foregoing to do business in the relevant jurisdiction or to procure required licenses in other jurisdictions, all of which could have a material adverse effect on the Sub-Fund.

Potential Impact of a Small Number of Investments. To the extent the Sub-Fund concentrates Investments in a particular borrower, security, geographic region or industry, its Investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return, if any, realised by a Shareholder may be materially adversely affected by the unfavourable performance of even a single Investment by the Sub-Fund or unfavourable developments in one or a small number of issuers, types of securities, geographic regions, or industries.

Investments in Non-Listed Enterprises and Securities. The Sub-Fund will make investments in non-listed enterprises and securities. Non-listed enterprises and securities are generally not governed by investor protection provisions of applicable securities laws and relevant regulations, such as rules on corporate governance and information disclosure. Accordingly, the Sub-Fund's investments in non-listed enterprises and securities may be riskier than investments in the stocks or bonds of listed companies. The Investment Manager may make inappropriate decisions due to the lack of information and therefore cause the Sub-Fund to suffer losses.

Foreign Currency and Exchange Risks. The Sub-Fund may engage in transactions involving foreign currencies, and the Sub-Fund and the Shareholders may experience foreign currency gain or loss with respect to the Investments. In addition, the Sub-Fund may incur costs in connection with conversions between various currencies or in foreign currency exchange transactions. Investments may also enter into financial arrangements intended to hedge their currency exchange risks. Such hedging arrangements are themselves subject to risks. For example, changes in interest rates, securities prices or currency exchange rates may result in lower overall returns than if the Sub-Fund or the Investment had not entered into any hedging arrangement. Further, there can be no assurance that the instruments necessary to hedge will be available, or that such instruments will be attractively priced at the time the Sub-Fund, or the Investment may desire to use them. Repatriation of investment income, capital, and the proceeds from sales of securities by foreign investors such as the Sub-Fund may require governmental registration and approval in some countries. The Sub-Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

European Union Screening Regulation. In March 2019, the EU adopted Regulation (EU) 2019/452 (the "**Screening Regulation**"), establishing a framework for the screening of foreign direct investments ("**FDI**") from non-EU countries that may affect security or public order. At that time, roughly half of the EU Member States had some form of legislation in place for screening foreign direct investment within their territories (namely, Austria, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, and Spain). The Screening Regulation's objective is to equip the EU to identify, assess and mitigate potential risks for security or public order by creating a framework for Member States that already have, or that may implement a screening mechanism. The Regulation does not require Member States to implement or maintain a screening mechanism. The Regulation has applied since 11 October 2020.

The Screening Regulation covers FDI from third countries, i.e., those investments "which establish or maintain lasting and direct links between investors from third countries including State entities, and

undertakings carrying out an economic activity in a Member State." The Screening Regulation applies to all sectors of the economy. It is not triggered by any monetary threshold. The Screening Regulation empowers Member States to review investments within its scope on the grounds of security or public order, and to take measures to address specific risks. The review and, when required, the adoption of measures preventing or conditioning an investment is the ultimate responsibility of Member States.

In determining whether FDI is likely to affect security or public order, Member States and the Commission may "consider all relevant factors, including the effects on critical infrastructure, technologies (including key enabling technologies) and inputs which are essential for security or the maintenance of public order, the disruption, failure, loss or destruction of which would have a significant impact in a Member State or in the Union."

Under the Regulation, the Commission has no formal power to approve or prevent FDI, but it can intervene in national screening by obtaining information from the national competent authority. The Commission may also screen FDI that is likely to affect projects or programs of EU interest on the grounds of security or public order and issue an opinion. Member States must take account of the Commission's opinion and justify a decision not to follow the Commission's opinion. The framework establishes basic criteria for FDI screening, such as transparency, non-discrimination, procedural rules, and factors to be taken into account in determining whether an investment is likely to affect security or public order.

On 25 March 2020, the Commission provided guidance to Member States on how to use FDI screening in times of public health crisis and economic vulnerability given the Covid-19 emergency. In its guidance, the Commission urged Member States to be particularly vigilant to prevent a "sell-off" of Europe's business and industrial actors, including small and mid-size enterprises, and to seek advice and coordination in cases where foreign investments could, actually or potentially, now or in the future, have an effect in the single market.

In its guidance, the Commission called upon Member States that currently have screening mechanisms to make full use of those mechanisms and called upon Member States that do not have a screening mechanism, or whose screening mechanisms do not cover all relevant transactions, to set up a screening mechanism and/or consider other options to address cases where the acquisition or control of a particular business, infrastructure or technology would create a risk to security or public order, including health security, in the EU.

The scope of the Screening Regulation and the concerns expressed by the Commission in the context of the current pandemic suggest that more transactions involving companies in the EU are likely to be subject to FDI screening, and if not screened, could be subject to ex post comments by Member States or opinions by the Commission up to 15 months after completion of the investment. The outcome of any FDI screening process may be difficult to predict, and there is no guarantee that, if applicable to an Investment, the decisions of a national competent authority would not adversely impact the Sub-Fund's Investment in such entity.

Conflicts with Investee Companies. Officers and employees of the Investment Manager or Morgan Stanley may serve as directors of certain Investee Companies and, in that capacity, will be required to make decisions that they consider to be in the best interest of the Investee Company. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the Investee Company, actions that may be in the best interests of the Investee Company may not be in the best interests of the Sub-Fund, and vice versa. In addition, the possibility exists that the companies with which one or more employees of Morgan Stanley are involved could engage in transactions that would be suitable for the Sub-Fund, but in which the Sub-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 Investment Manager or Morgan Stanley and such person's duties as a director of the Investee Company.

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in an entity that is a competitor of an Investee Company or that is a service provider, supplier, customer, or other counterparty with respect to an Investee Company. In providing advice and recommendations to, or with respect to, such Investee Companies, and in dealing in their securities on behalf of itself or such Affiliated Investment Accounts, to the extent permitted by law, Morgan Stanley will not take into consideration the best interests of the Sub-Fund, its Investments and/or Investee Companies. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Sub-Fund, its Investments and/or its Investee Companies. Conflicts of interest may also arise with respect to the allocation of Morgan Stanley's time and resources between such Investee Companies. In addition, in providing services to such Investee Companies, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Sub-Fund) or disclosing, even though such action or disclosure would be in the best interests of the Sub-Fund. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to Investee Companies to provide services to competing entities invested in by Morgan Stanley or Affiliated Investment Accounts, which may have adverse consequences for the Sub-Fund. See also "—Non-Public Information" below.

Fixed Income Securities. The Investment Manager may invest in fixed-income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed-income securities are obligations of the issuer to make payments of principal and / or interest on future dates. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity. In addition, high yield bonds (commonly known as "junk bonds") and other debt securities in which the Investment Manager may invest will typically be junior to the obligations of companies to senior creditors, trade creditors and employees. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory or other conditions may impair the ability of the issuer to make payments of principal and interest. High yield debt securities have historically experienced greater default rates than investment grade securities. The ability of holders of high yield debt to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors.

Repurchase Agreements. The Sub-Fund is permitted to enter into repurchase agreements in connection with its investment programme and in lieu of other forms of fund finance facilities. In particular, the Sub-Fund may enter into an arrangement with a broker-dealer or other financial institution where the Sub-Fund, simultaneous with or following its acquisition of an investment, sells or participates such investment to such counterparty and agrees to reacquire such investment or participation at a later date in exchange for a fixed payment to such counterparty. In connection with any repurchase agreement or arrangement, during the period that the Sub-Fund's investments are sold to the Sub-Fund's counterparty, the Sub-Fund may, depending on the terms of such arrangement, not be able to exercise certain rights of the holder of such investments on issues that could affect the ultimate value of such investments.

The use of repurchase agreements by the Sub-Fund involves certain risks, including that the market value of any investments purchased by the Sub-Fund with the proceeds of the repurchase agreement may decline below the price of the investments the Sub-Fund has sold to its counterparty but is obligated to repurchase. In addition, if the Sub-Fund fails to reacquire such investment or is otherwise declared to be in default under a repurchase agreement, the counterparties may have certain recourse against the Sub-Fund, including the right to sell the investments to a third party, and any such sale could be at disadvantageous prices that could adversely affect the Sub-Fund's profitability and result in substantial losses. Repurchase agreements also involve the risk that a buyer of financial instruments under a repurchase agreement files for bankruptcy or becomes insolvent, in which case such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the obligation of the Sub-Fund to repurchase the financial instruments, and the Sub-Fund's use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the financial instruments that the Sub-Fund has purchased has decreased, it could experience a loss. For the avoidance of doubt, if an investment's value fluctuates, including by significantly decreasing in value, the Sub-Fund will remain committed to reacquire the investment and to pay its counterparty for its services in acquiring the investment. While repurchase agreements are economically similar to borrowings, repurchase agreements present additional risks of loss to the Sub-Fund that are not present where the Sub-Fund borrows money from a third party.

The risks associated with collateral management, arising from the use of repurchase agreements include, but are not limited to unexpected market, credit, legal or political events that change the nature or value of cash collateral; in the case of cash collateral received, the risk that the value of collateral may deteriorate; in the case of collateral received, the risk that the cash collateral may be insufficient to satisfy obligations in the event of a counterparty default.

The Sub-Fund's use of repurchase agreements and similar arrangements are subject to the limitations on leverage and other conditions set forth in this Supplement. In addition, the use of repurchase agreements are expected to result in incremental expenses that will be borne by investors, including those relating to structuring and establishing the repurchase arrangement.

Environmental Matters. The Sub-Fund may invest in Investee Companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements and environmental costs that could place increasing financial burdens on such portfolio entities. Required expenditures for environmental compliance may adversely impact investment returns on portfolio entities. The imposition of new environmental and other laws, regulations and initiatives could adversely affect the business operations and financial stability of portfolio entities.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on Investee Companies or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Investee Companies will not cause injury to the environment or to people under all circumstances or that the Investments will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on an investment, and there can be no assurance that the Investments will at all times comply with all applicable environmental laws, regulations, and permit requirements.

Banking Requirements. Certain federal and local banking and other regulatory bodies or agencies inside or outside the United States may require the Fund, the Sub-Fund and / or the Investment

Manager to obtain licenses or similar authorisations to engage in various types of lending activities, including the origination of senior secured debt and other debt. Such licenses or authorisations may take a significant amount of time to obtain, and may require the disclosure of confidential information regarding the Sub-Fund, Shareholders or their respective Affiliates, including financial information and / or information regarding officers and directors of certain significant Shareholders, and the Sub-Fund may or may not be willing or able to comply with these requirements. In addition, there can be no assurance that any such licenses or authorisations would be granted or, if so, would not impose restrictions on the Sub-Fund. Alternatively, the Investment Manager may be able to structure potential investments in a manner which would not require such licenses and authorisations, but which would be inefficient or otherwise disadvantageous for the Sub-Fund and / or the borrower. The inability of the Sub-Fund, the Fund or the Investment Manager to obtain such licenses or authorisations, or the structuring of an investment in an inefficient or otherwise disadvantageous manner, could adversely affect the Investment Manager's ability to implement the strategy for the Sub-Fund and the Sub-Fund's results.

European Government Regulation Relating to Leveraged Lending. There has been increasing commentary among European regulators and intergovernmental institutions, including the European Central Bank, on leveraged lending transactions and the European Central Bank has published guidance on leveraged transactions applicable to banks subject to the European Central Bank's oversight. While it is difficult to predict the scope of any new regulations or guidance and the nature or scope of any further supervisory requirements, if regulations or further guidance, such as those relating to risk appetite standards are issued, the regulatory and operating consequences associated with compliance could have an impact on the investment strategy of the Sub-Fund.

Sub-Fund Classification Under AIFMD. For the purposes of the AIFMD, the AIFM Laws and Regulations, alternative investment funds are classified according to the predominant fund types and investment strategies listed under Annex IV of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012. Currently, there is no specific fund type or investment strategy for alternative investment funds which have adopted a direct lending strategy, such as the Sub-Fund. Considering the investment objective and strategy of the Sub-Fund, and in particular, that the Sub-Fund predominantly engages in directly originated loans made to, and debt instruments issued by, private companies based on intensive due diligence and bespoke transaction documents, and that it follows a take-and-hold strategy, the AIFM considers that, for the purposes of the AIFMD, the AIFM Laws and Regulations, the Sub-Fund has characteristics which are closer to alternative investment funds classified under the predominant fund type "Private Equity Fund" and expects to classify the Sub-Fund in accordance therewith.

Counterparty, Settlement and Local Intermediary Risk. From time to time, certain securities markets have experienced operational clearance and settlement problems that have resulted in failed trades. These problems could cause the Sub-Fund to miss attractive investment opportunities or result in the Sub-Fund being liable to third parties by virtue of an inability to perform the Sub-Fund's contractual obligation to deliver securities or close transactions. In addition, delays, and inefficiencies of the local postal, transport and banking systems could result in missed rights and entitlements, the loss of funds (including dividends) and exposure to currency fluctuations. To the extent the Sub-Fund invests in securities, swaps, derivatives, or other over-the-counter transactions, in certain circumstances, the Sub-Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of transfer, clearance or settlement default. Transactions entered directly between two counterparties may expose the parties to the risk of counterparty defaults. Such risks may be exacerbated with respect to certain foreign securities or transactions with certain foreign counterparties. It is expected, but in no way assured, that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Sub-Fund and hence the Sub-Fund should not be exposed to credit risk with regard to such parties. Certain of the Sub-Fund's

transactions may be undertaken through local brokers, banks, or other organisations in the countries in which the Sub-Fund may make Investments, and the Sub-Fund will be subject to the risk of default, insolvency, or fraud of such organisations. The collection, transfer and deposit of bearer securities and cash expose the Sub-Fund to a variety of risks including theft, loss, and destruction. Finally, the Sub-Fund will be dependent upon the general soundness of the banking systems of these countries.

Valuation Risk. General movements in prevailing market conditions could have a substantial impact on the value of Investments and investment opportunities generally. Certain securities and other assets in which the Sub-Fund may invest may not have a readily ascertainable market value and will be valued by the AIFM (based on valuations provided by the Investment Manager or another valuation support provider) in accordance with the Sub-Fund's valuation principles. In addition, the AIFM and the Investment Manager may face a conflict of interest in valuing the securities or assets that lack a readily ascertainable market value as the value of the assets held by the Sub-Fund will affect the timing of the payment of the Incentive Fee.

Limited Liquidity of Shares in the Sub-Fund. An investment in the Sub-Fund provides limited liquidity since the Shares are subject to the restrictions on transfers and redemption described in this Supplement. There may be a significant period of time between the date as of which Shareholders submit redemption requests and the date as of which they can expect to receive full payment for their redemption proceeds in respect of any redemption request. Shareholders whose redemption requests in respect of any particular Redemption Date are accepted will bear the risk that the Sub-Fund's Net Asset Value may fluctuate significantly between the date as of which the redemption requests were submitted and the relevant Valuation Day with respect to the Redemption Date. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.

Liquidity Risk. Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Liquidity risk exists when a particular instrument is difficult to purchase or sell. The AIFM and the Investment Manager manage the Sub-Fund's liquidity risk. The Sub-Fund may invest in investments such as sub-investment grade corporate loans, bonds and notes which, as a result, carry greater liquidity risk than, for example, investment grade sovereign or corporate bonds or loans. Due to the unique and customised nature of loan agreements evidencing private debt assets and the private syndication thereof, these assets are not as easily purchased or sold as publicly traded securities. There can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity in loan trading which currently exists in the market. In addition, the terms of these assets may restrict their transferability without borrower consent. Where the Sub-Fund invests in investments such as mid-market direct lending and restructuring debt, in addition to the aforementioned liquidity risks, the Sub-Fund may have difficulty in disposing of certain assets because of the limited secondary market for such assets. The Investment Manager on behalf of the Sub-Fund will consider any such restriction, along with all other factors, in determining whether or not the Sub-Fund should acquire participation in each asset.

Substantial Redemptions. Substantial requests for the Sub-Fund to redeem Shares in a concentrated period of time could require the Sub-Fund to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions and achieve a market position appropriately reflecting a smaller asset base. Substantial redemptions could have a material adverse effect on the Sub-Fund's investment mix and could also cause the Sub-Fund to postpone or suspend future Shareholder redemptions. At any time, and from time to time, a substantial portion of the Shares may be held by one or a small number of Shareholders. Such concentration of ownership in the Sub-Fund could increase the likelihood of substantial redemptions.

Should the Sub-Fund be required to satisfy significant redemption requests in a short period of time, the Sub-Fund could, notwithstanding the application of the Redemption Cap, be forced to liquidate investments prematurely, causing losses to the Sub-Fund. Further, the Sub-Fund may suspend redemptions, either of which actions would limit the ability of investors to redeem their Shares and the value of such investments may decline prior to the time when redemption is permitted.

Compulsory Redemptions. The Board may cause the redemption of all or any part of a Shareholder's Shares that would prevail over redemptions carried out under normal circumstances as laid out in section (*Redemptions and Liquidity*) of this Supplement. Such a redemption could cause such a Shareholder, among other things, to incur transaction costs associated with the (partial or total) liquidation of the Sub-Fund's assets and/or to miss an opportunity to recover earlier losses or to enjoy potentially attractive future returns and could result in adverse tax consequences for that Shareholder.

Limited Redemption Rights. The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) retain the discretion to accept or reject redemption requests in full or in part, and to determine in the best interests of Shareholders and whether and to what extent to fulfil redemptions, and the timing of such fulfilment. Rejecting or delaying redemption may be due to a variety of reasons including, without limitation, as a result of certain contractual arrangements entered into by the Sub-Fund with respect to indebtedness. Therefore, each Shareholder should recognise that, in certain circumstances, it may not be able to liquidate its Shares even if it submits a redemption request ahead of the relevant Redemption Cut-Off Date. Shareholders whose redemption requests in respect of any particular Redemption Date are delayed to a future Redemption Date will bear the risk that the Sub-Fund's Net Asset Value may fluctuate significantly between the date of which the redemption requests were submitted and the date the Shares are effectively redeemed. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.

Substantial Subscriptions. Due to liquidity constraints in the loan market, the Sub-Fund may not be able to invest all net subscription proceeds on the relevant Dealing Date. To the extent that the Sub-Fund's assets are not invested on the relevant Dealing Date, this could have a negative impact on the performance of the Sub-Fund, as the Sub-Fund will not be pursuing its investment objective in respect of the portion of its assets held as in cash or other liquid assets.

Special Considerations Applicable to the Continuous Offering of Shares. The Sub-Fund may accept additional subscriptions for Shares, from time to time, as determined by the Board of Directors. Additional subscriptions will dilute the indirect interests of existing Shareholders in the Sub-Fund's investment portfolio prior to such subscriptions, which could have an adverse impact on the existing Shareholders' interest in the Sub-Fund if future Sub-Fund investments underperform the prior investments.

Operation of the Subscription and Redemption Collection Accounts. Subscriptions monies received in respect of the Sub-Fund in advance of the issue of Shares will be held in the cash collection account in the name of the Sub-Fund and will be an asset of the Sub-Fund. Shareholders will be unsecured creditors of the Sub-Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other Shareholder rights until such time as Shares are issued. In the event of an insolvency of the Sub-Fund, there is no guarantee that the Sub-Fund will have sufficient funds to pay unsecured creditors in full.

No Minimum Size of Sub-Fund and Availability of Investments. The Sub-Fund may begin operations without attaining any particular level of assets, but, for the avoidance of doubt, is not obliged to hold the First Closing Date even if one or more third-party investors have applied the invest in the Sub-Fund. At low asset levels, the Sub-Fund may be unable either to diversify its investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information in respect of its investments. To the extent that prevailing market conditions or other factors result in poor overall economic conditions or results during such period, then the diversification of the Sub-Fund's portfolio and/or the aggregate returns realised by the Shareholders may be substantially adversely affected by the relative concentration of such investments.

Notwithstanding the forgoing, the Fund is required to comply with the minimum level of capital required under Part II of the 2010 Law within twelve (12) months from the date on which the Fund has been authorised as an investment company with variable capital (société d'investissement à capital variable) under Part II of the 2010 Law.

Payment of Redemption Proceeds to Redeeming Shareholders Based on Unaudited Data. The calculation and payment of an investor's redemption proceeds may be based on estimated and unaudited data. Accordingly, adjustments and revisions may be made to the Net Asset Value of the Sub-Fund following the year-end audit of the Sub-Fund or at such other times as is required by CSSF guidelines in this respect and/or applicable laws. However, once paid, no revision to an investor's redemption proceeds is generally made based upon audit adjustments. Thus, the Sub-Fund will not generally seek reimbursement in the event of any overpayment and will not pay additional amounts in the event of an underpayment. As a result, a redeeming investor may be positively or negatively affected by a revision to the Sub-Fund's Net Asset Value. To the extent that such revisions to Net Asset Value decrease the Net Asset Value of the Sub-Fund, the outstanding Shares will be adversely affected by redemptions. Conversely, any increases in the Net Asset Value of the Sub-Fund resulting from such adjustments will be entirely for the benefit of the outstanding Shares. Notwithstanding the above, in the event of a material error in the determination of the Net Asset Value used to calculate redemption proceeds, the Board may in its discretion (subject to CSSF guidelines in this respect and/or applicable laws) require reimbursement in the event of any overpayment and cause payment of additional amounts in the event of an underpayment.

Adequacy of Reserves. The Sub-Fund may establish holdbacks or reserves, including for forecasted expenses, Management Fees, pending or anticipated liabilities or redemptions, investments, claims and contingencies relating to the Sub-Fund. Estimating adequate reserves is complex and inadequate or excessive reserves could negatively affect the investment returns to Shareholders. If the Sub-Fund's reserves are inadequate, the Sub-Fund may not be able to take advantage of attractive investment opportunities or protect its current investments.

Subscription Monies and Process. Subscription amounts received in respect of the Sub-Fund in advance of the issuance of Shares will be held in the cash collection account in the name of the Sub-Fund and will be an asset of the Sub-Fund. Subject to variances in the valuation of the Net Asset Value of the Sub-Fund, investors will be unsecured creditors of the Sub-Fund with respect to the amount subscribed until such Shares are issued. In the event of an insolvency of the Sub-Fund, there is no guarantee that the Sub-Fund will have sufficient funds to pay unsecured creditors in full.

CONFLICTS OF INTEREST

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 and registered investment companies, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. 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 Shareholders, notwithstanding Morgan Stanley's participation in the Sub-Fund. Shareholders should be aware that potential and actual conflicts of interest between Morgan Stanley and/or any of its clients, on the one hand, and the Sub-Fund, on the other hand, may exist and others may arise in connection with the operation of the Sub-Fund. In addition, Morgan Stanley's employees may have interests separate from those of Morgan Stanley that also conflict with those of the Sub-Fund. The discussion below enumerates certain actual, apparent and potential conflicts of interest.

The Board of Directors can give no assurance that conflicts of interest will be resolved in favour of the Shareholders. By acquiring a Share in the Sub-Fund, each Shareholder will be deemed to have acknowledged the existence of such actual, apparent and potential conflicts of interest, to have consented thereto, to have waived any claim in respect of the existence of any such conflict of interest and to have acknowledged that any such conflicts will be resolved by Morgan Stanley in its discretion without any guarantee that any situation involving a conflict will be resolved in favour of the Sub-Fund.

The Investment Manager may (in consultation with the AIFM) appoint the Board of Directors (comprised of individuals, a majority of whom will be independent of Morgan Stanley) or one or more other persons (or committee of persons) who are not affiliated with Morgan Stanley (any such person or committee, including the Board of Directors, an "**Independent Person**") to review and approve or disapprove, at the request of the Investment Manager and on behalf of all Shareholders, certain matters in connection with the foregoing (including the purchase of the Warehouse SPV—and its underlying investments—by the Sub-Fund) that require consent under the Advisers Act or other applicable law, and to review and approve or disapprove any other matters presented to them, including certain transactions, measures and other matters arising in connection with actual and/or potential conflicts of interest. Any such approval will be binding upon the Sub-Fund and all the Shareholders. Potential investors should review this section and the Investment Manager's Form ADV Part 2A carefully before making an investment decision.

By acquiring Shares, a Shareholder acknowledges and represents that it has carefully reviewed the conflicts of interest section in the general part of the Prospectus as well as the conflicts of interest section of this Supplement and understands and consents to the existence of potential conflicts of interest including, without limitation, those described in this section, and to the operation of the Sub-Fund subject to these conflicts.

Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses. Morgan Stanley has sponsored, organised, managed and advised (and will continue to do so in the future) Affiliated Investment Accounts with a wide variety of investment objectives that in some instances may overlap or conflict with the investment objectives of the Sub-Fund and present conflicts of interest, including without limitation: private equity funds, real estate funds, infrastructure funds, distressed debt investment funds, credit funds, opportunistic funds, oil and gas funds and funds that invest in or alongside private equity funds, credit funds or hedge funds. In addition, Morgan Stanley's fixed income division routinely makes equity, equity-linked and private credit investments in connection with its acquisition, monitoring and disposition of debt securities, instruments, and portfolios. Morgan Stanley may also from time to time sponsor or create new or successor Affiliated Investment Accounts that may compete with the Sub-Fund and may present similar conflicts of interest as the existing Affiliated Investment Accounts. Morgan Stanley and/or some of its Affiliated Investment Accounts have routinely made, and will continue to make, investments fall

within the investment objective of the Sub-Fund. For example, Morgan Stanley currently provides management and/or advisory services to certain Affiliated Investment Accounts that seek to invest in private credit. Certain members of the 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 Sub-Fund. In addition, the personnel of the Investment Manager provide management and/or advisory services to various Affiliated Investment Accounts. An Affiliated Investment Account (including one with an investment objective that is similar to the Sub-Fund's investment objective) may prove more successful than the Sub-Fund in achieving the investment objective of the Sub-Fund.

Morgan Stanley currently invests and plans to continue to invest on its own behalf and on behalf of its Affiliated Investment Accounts in a wide variety of investment opportunities in North America, Europe and elsewhere. Morgan Stanley and its Affiliated Investment Accounts will be permitted to invest in investment opportunities without making the investment opportunity available to the Sub-Fund beforehand. Morgan Stanley may (and in certain cases, will be required to) offer investments that fall into the investment objectives of an Affiliated Investment Account to such Affiliated Investment Account or make such investment on its own behalf, even though such investment also falls within the investment objectives of the Sub-Fund. The Sub-Fund may invest in opportunities that one or more Affiliated Investment Accounts has declined, and vice versa. All of the foregoing may reduce the number of investment opportunities available to the Sub-Fund and may create conflicts of interest for Morgan Stanley in allocating investment opportunities among the Sub-Fund, itself, and the Affiliated Investment Accounts. There can be no assurance that any particular investment opportunities will be allocated to the Sub-Fund. In addition, certain of such Affiliated Investment Accounts have or will have priority rights (including due to applicable legal or regulatory requirements) in respect of certain types of investments. After taking account of any priority rights, including those described above, Morgan Stanley will allocate opportunities among one or more of the Sub-Fund, itself, and such Affiliated Investment Accounts in its sole discretion. In determining such allocations, Morgan Stanley will take into account such factors as it deems appropriate in its discretion in a manner consistent with its internal policies as in effect from time to time (subject to any applicable legal or regulatory requirements). Shareholders should note that the conflicts inherent in making such allocation decisions may not always be resolved to the advantage of the Sub-Fund. There can be no assurance that the Sub-Fund will have an opportunity to participate in certain opportunities that fall within the Sub-Fund's investment objectives.

With respect to broken deal expenses, the Sub-Fund and the applicable Affiliated Investment Account will generally be required to bear their pro rata portion of broken deal expenses in accordance with the amount they were expected to invest in the unconsummated deal. Travel and entertainment expenses in connection with a trip taken by the Directors for purposes of multiple matters will generally be allocated to each such matter based on the time spent for each matter and then the resulting expenses will be allocated to the Sub-Fund or the applicable Affiliated Investment Account as otherwise set forth herein.

Decisions as to the allocation of investment opportunities among the Sub-Fund and other Affiliated Investment Accounts present numerous inherent conflicts of interest, particularly where an investment opportunity has limited availability. For example, Morgan Stanley manages assets for Affiliated Investment Accounts for which it receives (and certain of its personnel may be entitled to a portion of) a performance-based allocation or fee, including the Sub-Fund, and at the same time it manages Affiliated Investment Accounts that do not charge a performance-based fee or allocation. A conflict of interest may be created when such simultaneous management exists as Morgan Stanley, a portfolio manager or an investment committee member (including a member of the investment team or the investment committee) may be incentivised to favour the Affiliated Investment Accounts that charge a performance-based allocation or fee (or a higher performance-based allocation or fee than other

Affiliated Investment Accounts that also charge a performance-based allocation or fee) when making allocations of investment opportunities in light of the possibility of earning higher fees on those Affiliated Investment Accounts that charge such fees. A similar conflict may arise in situations where there are differences in the investments of Morgan Stanley and/or its personnel in Affiliated Investment Accounts. In order to address potential conflicts of interest and to attempt to allocate investment opportunities in a fair and equitable manner, the Investment Manager will implement these and other allocation-related policies and procedures. These policies and procedures are intended to give all Affiliated Investment Accounts and the Sub-Fund, fair access to new investment opportunities consistent with the requirements of organisational documents, investment strategies, applicable laws and regulations and the fiduciary duties of the Investment Manager that were designed to require that all investment allocation decisions made by the Investment Manager are being made fairly and equitably among Affiliated Investment Accounts over time. These policies and procedures are subject to change from time to time in the Investment Manager's sole discretion and without notice to Shareholders.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite the Sub-Fund to co-invest with it, or the Investment Manager may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Sub-Fund in the same Investee Company, at either the same time or at a different time and in either the same or different tiers of an Investee Company's capital structure or in an Affiliate of such Investee Company. In addition to such co-investments, the Sub-Fund and Morgan Stanley or an Affiliated Investment Account may, as part of unrelated transactions, invest in either the same or different tiers of an Investee Company's capital structure or in an Affiliate of such Investee Company. To the extent the Sub-Fund holds investments in the same Investee 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 Investment Manager and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict (e.g., over the terms, exit strategies and related matters, including the exercise of remedies of their respective investments). If the Investee Company in which the Sub-Fund has an investment and in which Morgan Stanley or an Affiliated Investment Account has an equity or senior debt investment elsewhere in the Investee Company's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Affiliated Investment Account, the Sub-Fund, certain of its other Affiliates and the Investee Company. In that regard, actions may be taken for Morgan Stanley or such Affiliated Investment Account that are adverse to the Sub-Fund, or actions may or may not be taken by the Sub-Fund due to Morgan Stanley's or such Affiliated Investment Account's investment, which action or failure to act may be adverse to the Sub-Fund. The Investment Manager may seek Shareholder, Independent Persons or other independent third-party approval in connection with certain of such actions and such approval will be binding upon the Sub-Fund and the Shareholders. In addition, it is possible that in a bankruptcy proceeding, the Sub-Fund's interest may be subordinated or otherwise adversely affected by virtue of Morgan Stanley's or such Affiliated Investment Account's involvement and actions relating to its investment.

Where the Sub-Fund invests in an Investment in which an Affiliated Investment Account has an equity interest or debt interest in the same tranche as the Sub-Fund, such Affiliated Investment Account may have bought or sold its interest in such Investment at a different time and may have paid or received a different price than the Sub-Fund. In making decisions with regards to such Investments, the applicable Affiliated Investment Account (including an Affiliated Investment Account managed by the investment team) may make investment decisions with regards to such Investment (including with respect to voting its interest or selling or otherwise disposing of such Investment) without regard to the interests of the Sub-Fund and may take action inconsistent with that of the Sub-Fund. Similarly, the Sub-Fund may act similarly without regard to the interests of such Affiliated Investment Account.

Decisions about what action should be taken in a troubled situation, including whether to enforce claims, whether to advocate or initiate restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If an Investee Company becomes troubled, the Sub-Fund might arguably be best served by a liquidation that would result in its debt being paid but leave nothing for Morgan Stanley or such Affiliated Investment Accounts. In those circumstances where the Sub-Fund and Morgan Stanley or such Affiliated Investment Accounts hold investments in different classes of an Investee Company's debt or equity, Morgan Stanley may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between the Sub-Fund and Morgan Stanley or such Affiliated Investment Accounts, including by listing, causing the Sub-Fund to take certain actions that, in the absence of such conflict, it would not take, such as (A) remaining passive in a restructuring or similar situations (including electing not to vote or voting pro rata with other security holders), (B) divesting investments or (C) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting Morgan Stanley or such Affiliated Investment Accounts and therefore may not have been in the best interests of, and may have been adverse to, the Sub-Fund. A similar standard generally will apply if Morgan Stanley or such Affiliated Investment Accounts make an investment in an Investee Company or asset in which the Sub-Fund holds an investment in a different class of such Investee Company's debt or equity securities or such asset.

Under certain circumstances, an acquisition of debt by the Sub-Fund in an Investee Company in which Morgan Stanley or any of its Affiliated Investment Accounts holds an equity interest may result in adverse U.S. tax consequences to the Investee Company and to the Sub-Fund. Specifically, if the Sub-Fund were treated as being related to the Investee Company for U.S. tax purposes, an acquisition by the Sub-Fund of the Investee Company's debt at a discount to the adjusted issue price of such debt may result in the Investee Company recognising cancellation of indebtedness income and the Sub-Fund being required to treat the discount as "original issue discount" (rather than "market discount"), resulting in phantom income to the Shareholders. It is possible that the Investment Manager may decide not to acquire such debt in order to avoid the adverse tax consequences.

It is possible that Morgan Stanley or an Affiliated Investment Account will invest in a company that is or becomes a competitor of an Investee Company of the Sub-Fund. Such investment could create a conflict between the Sub-Fund, on the one hand, and the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the Investee Company. In addition, certain Affiliated Investment Accounts will be focused primarily on investing in other funds which may have strategies that overlap and/or directly conflict and compete with the Sub-Fund.

Although it is expected that any co-investments made by the Sub-Fund and Morgan Stanley or an Affiliated Investment Account in the same instruments at the same time will generally be disposed of in substantially the same proportion, and on substantially the same terms, subject to legal, tax, regulatory or other considerations, there can be no assurance that the interests in an Investee Company held by the Sub-Fund will be harvested on as favourable terms as the interests in such Investee Company held by Morgan Stanley or an Affiliated Investment Account. Further, the disposal by Morgan Stanley or an Affiliated Investment Account may depress the market value of the continuing Investment of the Sub-Fund or may reduce the price available to the Sub-Fund, which may also be disposing of such Investment.

It should be noted that Morgan Stanley has, directly or indirectly, made large investments in certain of its Affiliated Investment Accounts, and accordingly, Morgan Stanley's significant investment in the Sub-Fund may not be a determining factor in the outcome of any of the foregoing conflicts.

Nothing in this Supplement, the Prospectus or in the Articles of Association precludes, restricts or in any way limits the activities of Morgan Stanley, including its ability to buy or sell interests in, or provide financing to, equity and/or debt instruments, funds, or Investee Companies, for its own accounts or for the accounts of Affiliated Investment Accounts or other investment funds or clients.

Risks Relating to Investment Decisions. Where the Sub-Fund, on the one hand, and any Affiliated Investment Accounts, on the other hand, participate (or intend to participate) in the same investment, the Investment Manager may determine to make different investment management decisions (i.e., sale, disposition, additional investment and other decisions) with respect to each fund due to differences in their investment mandates, commitment periods, terms or other considerations. As a result, investment decisions by the Investment Manager with respect to each fund's investment in a common Investee Company, including the timing of sales, may be made independently, which may result in different rates of return and profit and loss on the investment and adverse consequences for the Sub-Fund or such Investee Company. Alternatively, as a result of the funds' co-investment in a common Investee Company, it may be difficult, impractical or costly for the Investment Manager to dispose of an investment on behalf of one fund but not on behalf of the other fund. As a result, the Investment Manager may be incentivised to accelerate or delay the sale, disposition or restructuring of an investment, which may have an adverse effect on the returns to the Sub-Fund. Further, the Sub-Fund may hold a minority interest in an Investee Company in which an Affiliated Investment Account owns a majority interest, and the Sub-Fund could be adversely affected in the context of restructuring and / or recapitalisation transactions with respect to such Investee Company.

Allocation of Investment Opportunities; Other Investment Activities of Morgan Stanley. The allocation of investment opportunities to the Sub-Fund will be in the discretion of the Investment Manager. Certain Affiliated Investment Accounts have the right or may be given the opportunity to invest alongside the Sub-Fund and / or Morgan Stanley in certain investments made by the Sub-Fund and / or Morgan Stanley. Such Affiliated Investment Accounts may include one or more Morgan Stanley-managed co-invest entities comprised of investors of the Sub-Fund, investors in certain Affiliated Investment Accounts and / or third-party investors, in each case, that are formed or have mandates to invest alongside the Sub-Fund, certain Affiliated Investment Accounts and / or Morgan Stanley.

The Investment Manager may establish sharing percentages between the Sub-Fund and Affiliated Investment Accounts from time to time with respect to certain investments or types of investments. The Investment Manager will have substantial discretion in applying any such sharing percentages, the Investment Manager may have a conflict of interest in making such determinations and such targeted sharing percentages might result in the Sub-Fund not being fully invested. The Investment Manager will have the right to change any such targeted sharing percentages at any time and from time to time. In addition, based on various considerations (including, but not limited to, the concentration of investments, geography and industry-specific factors), the Investment Manager may cause the Sub-Fund to invest alongside the Affiliated Investment Accounts in a ratio not indicated by any applicable targeted sharing percentage. The Investment Manager may have an incentive to cause the Sub-Fund's share of an investment to exceed the applicable targeted sharing percentage where the Investment Manager had or expects to have trouble syndicating a portion of the applicable investment opportunity to other co-investors. Conversely, the Investment Manager may have an incentive to cause the Sub-Fund's share of an investment to be less than any applicable targeted sharing percentage where the Investment Manager wants to increase participation by Affiliated Investment Accounts, other co-investors or Morgan Stanley. Additionally, for the avoidance of doubt, certain investment opportunities may be allocated fully to the Sub-Fund, with no participation by Morgan Stanley or any Affiliated Investment Accounts.

If an investment represents an “add-on” investment opportunity for Morgan Stanley, the Sub-Fund or an Affiliated Investment Account, there can be conflicts of interest, including the determination of the economic terms of the new investment. Although it is not currently contemplated, add-on investment opportunities may be available to the Sub-Fund with no existing investment in the applicable Investee Company, creating an incentive to use the assets of the Sub-Fund to support investments of the Affiliated Investment Accounts. In addition, in certain situations where the Sub-Fund holds a minority interest in a particular investment in an Investee Company, conflicts of interest in recapitalisation transactions arise between the Sub-Fund and the Affiliated Investment Accounts with existing investments in such Investee Company, on the one hand, and Affiliated Investment Accounts which have opposing interests regarding pricing and other terms, on the other hand.

No part of Morgan Stanley will be under any obligation or fiduciary or other duty to make any investments available to the Sub-Fund. Investment opportunities initially offered the Sub-Fund, or any portion thereof, in which the Sub-Fund does not participate, may be offered to the Affiliated Investment Accounts, including Morgan Stanley for its own account, investment vehicles organised to facilitate investment by Morgan Stanley’s current or former directors, partners, trustees, managers, members, officers, consultants, employees, and their families and related entities, including employee benefit plans in which they participate, all or certain investors in the Sub-Fund or the Affiliated Investment Accounts or such other persons or entities as determined by Morgan Stanley in its sole discretion, and the Sub-Fund will not receive any compensation related to any such opportunities.

Allocation of Personnel, Services and / or Resources. Conflicts of interest may arise in allocating time, personnel and / or resources among the investment activities of the Sub-Fund, on the one hand, and the Affiliated Investment Accounts, on the other hand.

Diverse Interests of the Sub-Fund and Affiliated Investment Accounts. It is expected that the Sub-Fund will, subject to applicable law, invest alongside Affiliated Investment Accounts in certain investments. The Sub-Fund and the Affiliated Investment Accounts, and their respective investors, including Morgan Stanley, may have conflicting investment and other interests with respect to the investments made, including as a result of different investment mandates and regulatory restrictions.

Conflicts of interest may arise in connection with decisions made by the Investment Manager, which may be more beneficial for the Affiliated Investment Accounts and their investors and / or Morgan Stanley, on the one hand, than for the Sub-Fund and the Shareholders, on the other hand. In addition, the amounts and types of leverage incurred by the Affiliated Investment Accounts and the Sub-Fund will be different. The terms of such leverage may require or otherwise cause the Investment Manager to seek to manage the Sub-Fund’s investments differently than the manner in which Morgan Stanley manages the Affiliated Investment Accounts’ investments and may require or cause the Sub-Fund to take or not to take actions with respect to an investment that are different than those taken by the Affiliated Investment Accounts. Such actions or inactions may adversely affect the Sub-Fund and / or the value of its investments.

The Investment Manager has broad discretion on behalf of the Sub-Fund to engage in certain transactions which may have the effect of delaying the Sub-Fund’s receipt of proceeds, foregoing and reinvesting distributions and extending investment horizons. The Investment Manager is not required to cause any Affiliated Investment Accounts to engage in any such transaction, which may materially affect the returns of the Sub-Fund relative to the Affiliated Investment Accounts. The Investment Manager also has broad discretion on behalf of the Sub-Fund to make an investment (or continue, convert or exchange an investment) in one or more Investee Companies whose debt is, prior to consummation of such transaction, held by Affiliated Investment Accounts and which such debt is being repaid as part of the transaction by which the Sub-Fund is investing (or continuing, converting

or exchanging its investment); the Investment Manager is not required to cause any Affiliated Investment Accounts to continue, convert or exchange such debt, even if the Sub-Fund does do so, which may affect the performance of the Sub-Fund, including relative to the Affiliated Investment Accounts.

It is expected that the participation of the Sub-Fund and the Affiliated Investment Accounts in investments will vary as between such entities based upon relevant legal, regulatory, tax, portfolio concentration, investment mandate and such other considerations that the Investment Manager deems appropriate. As a result, the investment portfolio, risk profile and investment returns of and fees and performance fee paid by the Affiliated Investment Accounts and the Sub-Fund will differ.

Morgan Stanley Seed Capital. All decisions to make any investments acquired with Morgan Stanley's seed capital will be in the discretion of the Investment Manager and subject to the approval of an Independent Person, and Shareholders will not have an opportunity to evaluate such investments or their terms. Morgan Stanley will determine, in its discretion, when to cause the Sub-Fund to use the Subscription Amounts of Shareholders to redeem such seed investment, which will affect the amount that will be paid to Morgan Stanley upon such redemption.

Risks Relating to Warehousing of Investments and/or Seed Capital. Prior to and / or after the First Closing Date, Morgan Stanley may, and is expected to, establish Warehouse SPV. Following the receipt of Subscription Amounts from Shareholders (or at any other appropriate time as determined by the Investment Manager in its discretion), Morgan Stanley may, in its discretion, convey the Warehouse SPV (and all of its underlying investments) to the Sub-Fund, upon which the Sub-Fund would be expected to pay an amount equal to (x) the cost of the investment or, if different, the fair value of the investment as determined by the Investment Manager in accordance with the Valuation Policy and applicable law and subject always to the final determination of the value being approved by the AIFM and (y) related expenses, including transaction expenses and expenses of conveyance. Any income or other proceeds received by Morgan Stanley with respect to the investments held in the Warehouse SPV during the period of warehousing shall, subject to applicable laws, be retained for the benefit of Morgan Stanley. Although the value of any investments within the Warehouse SPV may decline prior to the transfer of the Warehouse SPV to the Sub-Fund, admission of such investors, the Sub-Fund will be required to pay the amounts set out in (x) and (y) above. There are conflicts of interest inherent in any such transfer between affiliated parties and Shareholders. By executing the Subscription Agreement, each Shareholder will consent to the appointment of the Independent Persons to approve, on behalf of all Shareholders, any conflicts and/or transactions requiring approval under applicable laws including section 206(3) of the Advisers Act.

Incentive Fee. While the Incentive Fee to be received by the Incentive Fee Recipients may create an incentive for the Investment Manager to make more speculative Investments for the Sub-Fund than it would otherwise make in the absence of such performance-based fee, the existence of such an arrangement often serves to align the interests of the Investment Manager and the Shareholders, and to incentivise the Investment Manager to seek to maximise the profitability of the Sub-Fund's investments. In addition, the method of calculating the preferred return and the Incentive Fee to be received by the Incentive Fee Recipients may result in conflicts of interest between the Incentive Fee Recipients and the Shareholders with respect to the management and disposition of Investments, including the timing and sequence of such dispositions. In calculating Incentive Fee and making corresponding payments, the Investment Manager may be required by the Articles of Association or the Prospectus to provide valuations for certain of the Sub-Fund's unrealised Investments. In addition, the Investment Manager will generally value any securities being distributed in-kind to investors in order to calculate the Incentive Fee. The AIFM will be responsible for such valuations of the Investments, which will be provided by the Investment Manager. If the valuations conducted by the

Investment Manager are incorrect, the amount and the timing of payment of Incentive Fee could be incorrect. Finally, the Investment Manager and/or its Affiliates may be incentivised to allocate all or a portion of certain investment opportunities to Affiliated Investment Accounts that provide for the payment of a higher performance-based compensation and not to the Sub-Fund.

Morgan Stanley Trading and Principal Investing Activities. Morgan Stanley generally will conduct its sales and trading businesses, publish research and analyses, and render investment advice without regard for the Sub-Fund's holdings, although these activities could have an impact on the value of one or more Investments or could cause Morgan Stanley to have an interest in one or more Investments that is different from, and potentially adverse to, that of the Sub-Fund.

Notwithstanding anything to the contrary herein, Morgan Stanley's sales and trading, financing, and principal investing businesses (whether or not specifically identified as such and including Morgan Stanley's trading and principal investing businesses) will not be required to offer any investment opportunities to the Sub-Fund. These businesses may encompass, among other things, principal trading activities as well as principal investing.

Morgan Stanley's sales and trading, financing, and principal investing businesses have acquired or invested, and in the future may acquire or invest, in minority and/or majority control positions in equity or debt instruments of diverse public and/or private companies. Such activities may put Morgan Stanley in a position to exercise contractual, voting, or creditor rights, or management or other control with respect to securities or loans of Investee Companies or other issuers, and in these instances, Morgan Stanley may, in its discretion, act to protect its own interests or interests of clients, and not the interests of the Sub-Fund.

Subject to the investment limitations set forth in the Articles of Association, the Sub-Fund may purchase from or sell to, or make Investments in, companies in which Morgan Stanley has or may acquire an interest, including as an owner, creditor, or counterparty.

Commodities and Global-Structured Products. Morgan Stanley's commodities business will not be required to offer any investment opportunity to the Sub-Fund. This business includes or may include in the future (but is not limited to) the ownership (whether directly or indirectly, in whole or in part), financing, hedging, trading, production, storage and delivery of various types of commodities and commodity-related products and commodity-related assets, including, without limitation, energy (power and capacity), coal, emissions, oil and its by-products, natural gas, metals and minerals, agricultural products, wind-powered energy, renewables, biodiesels, shipping, transmission, port and storage facilities, conversion facilities or any associated land or other facilities and generation.

Morgan Stanley's global-structured products business will not be required to offer any investment opportunity to the Sub-Fund. This business is a joint venture among Morgan Stanley's investment banking, fixed income and consolidated equities divisions that pursues structured tax-advantaged transactions primarily on behalf of Morgan Stanley.

Morgan Stanley's Restructuring Activities. Morgan Stanley may be engaged to act as financial adviser to financially troubled companies in connection with the restructuring of their capital structures or in connection with their bankruptcy. 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 of existing securities or for an equity infusion. If the Sub-Fund were invested in such a company, certain conflicts of interest would be inherent in the situation, including those involved in negotiation of a purchase price.

Morgan Stanley's Loan Syndication and Administration Activities. Morgan Stanley is engaged in the business of making, underwriting, administrating, and syndicating senior and other loans to corporate and other issuers, which may include issuers in which the Sub-Fund has invested or will consider investing. The Sub-Fund may, and is expected to, invest in transactions in which Morgan Stanley acts as arranger or administrative agent for, and receives fees from, such issuers. Any fees earned by Morgan Stanley as an administrative agent or arranger of loans will not be shared with the Sub-Fund. If the Sub-Fund were to purchase loans from Morgan Stanley or participate in loans arranged or administrated by Morgan Stanley, or Morgan Stanley were to receive a fee from an issuer for placing loans (or participation interests therein) with the Sub-Fund, or for acting as administrative agent with respect to such loans, certain conflicts of interest, in addition to the receipt of fees, would be inherent in the transaction. For example, Morgan Stanley as administrative agent or arranger may be exposed to liabilities to purchasers of loans or participation interests therein (including the Sub-Fund) and others in connection with the services it renders in such capacities and its defence of such liabilities could, and is expected to, result in it taking actions in its own interests that are contrary to the interests of purchasers of loans or participation interests therein, which may include the Sub-Fund. Moreover, the interests of Morgan Stanley or one of Morgan Stanley's clients with respect to an issuer of a loan (or participation interest therein) could be adverse to the best interests of the Sub-Fund in its capacity as a holder of all or a portion of such loan (or participation interests therein). To the extent the Sub-Fund holds loans (or participation interests therein) with respect to which Morgan Stanley acts as arranger or administrative agent, the Investment Manager and Morgan Stanley may be presented with decisions where the interests of the Sub-Fund, on the one hand, and the interests of Morgan Stanley or the issuer of such loans, on the other hand, are in conflict, including decisions about what actions should be taken upon default or breach and whether to enforce or pursue claims. If the issuer becomes distressed or if the issuer or Morgan Stanley defaults on its obligations or makes an error under the relevant loan agreement (or the administration agreement relating thereto), Morgan Stanley may have conflicting loyalties between its own interests, the interests of the issuer and the interests of the Sub-Fund. In that regard, actions might be taken by Morgan Stanley that are adverse to the Sub-Fund, or the Investment Manager might cause the Sub-Fund to take certain actions that it would not take if Morgan Stanley were not the arranger or administrative agent on the relevant loan, which action or failure to act could have the effect of benefiting Morgan Stanley while being adverse to the Sub-Fund. Morgan Stanley, in its capacity as arranger or administrative agent, will be acting solely for itself or its other clients and in such capacity is permitted and expected to act in its own best interests or in the best interests of such clients (or otherwise prioritise such interests) and will have no obligation to act in the best interests of the Sub-Fund or the Shareholders (or otherwise prioritise such interests).

To facilitate the Sub-Fund's investment in private credit instruments of Investee Companies for which Morgan Stanley is acting as an arranger or administrative agent, the Board of Directors is permitted (but not required) to seek Shareholder or other independent third-party approval or review in connection with certain of the conflicts of interest inherent in such transactions or with respect to any proposed action or inaction, with any such approval constituting approval of the Sub-Fund on behalf of all Shareholders for any conflict or course of action/inaction so approved. For the avoidance of doubt, in lieu of or in addition to the foregoing, the Board of Directors is permitted (but not required) to cause the Sub-Fund to follow the actions (including inaction) of one or more holders of the applicable private credit instrument that are unaffiliated with Morgan Stanley, and each Shareholder acknowledges that such course of action or inaction shall be a satisfactory resolution of the aforementioned conflict of interest.

Moreover, Morgan Stanley is permitted and expected to take (or refrain from taking) certain actions that affect the Sub-Fund (or its Investee Companies) as a result of Morgan Stanley's reputation in the marketplace and relationships with other Persons, and the Investment Manager is entitled to determine in its sole discretion whether or not to take certain actions on behalf of the Sub-Fund in

order to protect or preserve Morgan Stanley's reputation. As a result, there might be certain rights or activities that the Investment Manager will not undertake on behalf of the Sub-Fund (including in connection with distressed or adverse situations involving an Investee Company), even if such actions would be in the Sub-Fund's best interests.

Principal Investments. There may be situations in which the interests of the Sub-Fund in Investments may conflict with the interests of one or more general accounts of Morgan Stanley and its Affiliates or accounts managed by Morgan Stanley or their Affiliates. This may occur because these accounts hold public and private debt and equity securities of a large number of issuers which may be or become Investee Companies, or from whom Investments may be acquired. The Board of Directors believes that the participation of Morgan Stanley in the capital markets is a significant factor in ensuring the Board of Directors' continuing access to new transactions for investment by the Sub-Fund and that this participation is believed by the Board of Directors to be, on balance, beneficial to the Sub-Fund.

Other Affiliate Transactions. In connection with selling Investments by way of a public offering, Morgan Stanley may act as the managing underwriter or a member of the underwriting syndicate on a firm commitment basis and purchase securities from the Sub-Fund. Morgan Stanley also may, on behalf of the Sub-Fund, effect transactions, including transactions in the secondary markets where Morgan Stanley is also acting as a broker or other advisor for the Sub-Fund or on the other side of the same transaction. Morgan Stanley may receive commissions from such agency cross-transactions and has a potential conflict of interest regarding the Sub-Fund and the other parties to those transactions. The Board of Directors will approve any such transactions in which Morgan Stanley acts as an underwriter, as broker for the Sub-Fund, or as broker or advisor on the other side of a transaction with the Sub-Fund or bunches or aggregates transactions with others only where it believes in good faith that such transactions are appropriate for the Sub-Fund and, by executing the Articles of Association, an investor will consent to all such transactions, along with the other transactions involving conflicts of interest described in this Supplement and Prospectus, to the fullest extent permitted by law. In addition, from time to time, the Investment Manager may seek to effect a purchase or sale of an investment between the Sub-Fund and one or more other Affiliated Investment Accounts (for example, where such investment is bridged by an Affiliated Investment Account). Such transactions will generally not require the consent of the Sub-Fund under applicable law and, accordingly, the Investment Manager may cause such transactions to be effected without such prior consent.

Mitsubishi UFJ Financial Group ("**MUFG**") is one of the major shareholders of Morgan Stanley. Morgan Stanley and MUFG have agreed to pursue a global strategic alliance and have identified numerous areas of collaboration, including asset management, capital markets and corporate and retail banking. While the Sub-Fund may transact business with MUFG and its Affiliates, such transactions will be on an arm's-length basis.

Financial Interests of Morgan Stanley Personnel May Incentivise Morgan Stanley Personnel to Promote the Sale of Shares in the Sub-Fund. Morgan Stanley Wealth Management ("**MSWM**") and certain of its Affiliates may assist in the placement of Shares in the Sub-Fund (in such capacity, the "**Affiliated Placement Agents**"). Each Investor that purchases Shares through an Affiliated Placement Agent may receive additional disclosures from the Affiliated Placement Agent regarding services provided by the Affiliated Placement Agent and the fees received by the Affiliated Placement Agent and/or their salespersons (i.e., financial advisors and private wealth advisors) in connection with the sale of Shares in the Sub-Fund, and should review such disclosures carefully prior to making an investment in the Sub-Fund. The prospect of receiving, or the receipt of, additional compensation by the Affiliated Placement Agents may provide such Affiliated Placement Agents and/or their salespersons (i.e., financial advisors and private wealth advisors) with an incentive to favour sales of

Shares in the Sub-Fund 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 Affiliated Placement Agent does not receive additional compensation, or receives lower levels of additional compensation.

In addition, the Investment Manager will seek to source certain investment opportunities from MSWM's network of financial advisors and private wealth advisors, who will be compensated for sourcing an Investment that is ultimately consummated by the Sub-Fund. A financial advisor or private wealth advisor, therefore, may be compensated for both a sale of Shares in the Sub-Fund and for sourcing an Investment. Sufficient capital from the sale of Shares in the Sub-Fund is required for such Investments to be consummated, and, therefore, financial advisors and private wealth advisors who may receive compensation for sourcing Investments have an incentive to promote sales of Shares in the Sub-Fund and have an incentive to source Investments regardless of the expected performance of such Investments.

Prospective investors should take such payment arrangements into account when considering and evaluating any recommendations related to Shares in the Sub-Fund.

Non-Public Information. It is expected that confidential or material non-public information regarding an Investee Company or potential investment opportunity may become available to Morgan Stanley. If such information becomes available to Morgan Stanley, the Sub-Fund may be precluded (including by applicable law or internal policies or procedures) from pursuing an investment or exit opportunity with respect to such Investee Company or investment opportunity. In addition, as a result of Morgan Stanley's policies regarding disclosure of security holdings of Morgan Stanley and its Affiliated Investment Accounts, the Sub-Fund may dispose of an investment sooner than desired or take another action with respect to such investment. Morgan Stanley may also from time to time be subject to contractual "stand-still" obligations and/or confidentiality obligations that may restrict its ability to trade in certain Investments on behalf of the Sub-Fund. In addition, Morgan Stanley may be precluded from disclosing such information to the Board of Directors or any member of the investment team, even in circumstances in which the information would benefit the Sub-Fund if disclosed. Therefore, the Board of Directors may not be provided access to material non-public information in the possession of Morgan Stanley that might be relevant to an investment decision to be made by the Sub-Fund, and the Sub-Fund may initiate a transaction or sell an investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the investment team and the investment committee 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 Sub-Fund. Furthermore, access to certain parts of Morgan Stanley may be subject to third-party confidentiality obligations and to information barriers established by Morgan Stanley in order to manage potential conflicts of interest. Accordingly, the Sub-Fund's ability to source investments from other business units within Morgan Stanley may be limited and there can be no assurance that the Sub-Fund will be able to source any investments from any one or more parts of the Morgan Stanley network.

Morgan Stanley's Investment Banking Activities. Morgan Stanley advises clients on a variety of mergers, acquisitions, and financing transactions. Morgan Stanley may act as an advisor to clients, including other investment funds that may compete with the Sub-Fund, with respect to investments in opportunities in which the Sub-Fund invests. Morgan Stanley may give advice and take action with respect to any of its clients or proprietary accounts that may differ from the advice given or may involve a different timing or nature from action taken, by the Sub-Fund. Morgan Stanley may give advice and provide recommendations to persons competing with the Sub-Fund and/or any Investee Company that are contrary to the Shares of the Sub-Fund and/or any Investee Company.

Morgan Stanley could be engaged in financial advising, whether on the buy-side or sell-side, or in financing or lending assignments that result in Morgan Stanley's determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit the Sub-Fund's ability to transact with respect to one or more existing or potential Investee Companies. Alternatively, there could be buy-side or sell-side assignments in which the buyer or seller permits the Sub-Fund to act as a participant in the transaction. In such cases, certain conflicts of interest would be inherent, including those involved in negotiating a purchase price. Morgan Stanley may have relationships with or advise third-party funds, companies or investors who may have invested in or may look to invest in Investee Companies, and there could be conflicts between the interests of the Sub-Fund, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand. From time to time, Morgan Stanley's investment banking professionals may introduce to the Sub-Fund a client that requires financing to complete an acquisition transaction. If the Sub-Fund pursues the resulting investment, Morgan Stanley could have a conflict in its representation of the client over the price and terms of the Sub-Fund's investment.

Morgan Stanley has long-term relationships with a significant number of companies and their senior management. In determining whether to pursue a particular transaction on behalf of the Sub-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 Sub-Fund in view of such relationships.

To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, the Board of Directors' flexibility in making investments in such restructurings on behalf of the Sub-Fund may be limited.

Morgan Stanley could provide investment banking services to competitors of Investee Companies as well as to other private equity funds; such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Sub-Fund's investment and may also result in a conflict in respect of the allocation of investment banking resources to Investee Companies.

The Sub-Fund and the Investee Companies may engage Morgan Stanley to perform investment banking services, including advice on valuing, structuring, negotiating, and arranging financing for certain transactions, and Morgan Stanley may also earn fees in connection with unconsummated transactions. In such situations, Morgan Stanley will generally receive fees based on the prevailing market rates for such services upon the consummation of the investment banking transaction for which it was retained. Morgan Stanley will not share these fees with the investment team, the Sub-Fund, or the Shareholders. Accordingly, Morgan Stanley may be paid fees from an Investee Company before the Sub-Fund receives a return on its investment in the Investee Company, and such fees will not generally vary based on the success of the Sub-Fund's investment. Other compensation may include warrants to purchase an equity interest or other securities in the Investee Company for which the transaction is being undertaken. Morgan Stanley may also make interest-bearing loans to the Sub-Fund and Investee Companies and may act as agent in connection with the placement or syndication of their indebtedness. In addition, the Sub-Fund may pay fees to Morgan Stanley for audit, tax, accounting, legal and administrative services provided to the Sub-Fund (at rates rendered on an arms-length basis, as determined in good faith by the Board of Directors). Morgan Stanley may also provide a broad range of financial services to Investee Companies in which the Sub-Fund has (or is considering making) an Investment, including strategic and financial advisory services, interim acquisition financing and other lending and underwriting or placement of securities, and Morgan Stanley generally will be paid fees (that may include warrants or other securities) for such services. Morgan Stanley will not share any of the foregoing interest, fees and other compensation received by it (including, for the avoidance of doubt, amounts received by the Investment Manager) with the Sub-

Fund or the Shareholders, and neither the Management Fee nor the Incentive Fee payable by or on behalf of the Sub-Fund and any Shareholder will be reduced thereby.

Morgan Stanley may be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities and may provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realised consideration and is usually contingent, in substantial part, upon the closing of the transaction. The Sub-Fund may be precluded from buying or participating in a loan to the company being sold if the seller has required Morgan Stanley to act exclusively on its behalf. Additionally, there may be seller assignments in which the seller permits the Sub-Fund to act as a participant in the purchase of the company. In that case, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price. If a Morgan Stanley Affiliate serves as underwriter with respect to an Investee Company's securities, the Sub-Fund may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any Investments that it continues to hold would be restricted. This may prejudice the Sub-Fund's ability to dispose of its Investments at an opportune time.

Morgan Stanley may derive ancillary benefits from providing any such services to the Sub-Fund and/or an Investee Company and providing such services may enhance Morgan Stanley's relationships with various parties, facilitate additional business development and enable Morgan Stanley to obtain additional business and generate additional revenue. In addition, Morgan Stanley may derive ancillary benefits from certain decisions made by the Board of Directors and/or the Investment Manager. While the Board of Directors and the Investment Manager will make decisions for the Sub-Fund in accordance with their obligations to manage the Sub-Fund appropriately, the fees, allocations, compensation and other benefits to Morgan Stanley (including benefits relating to business relationships of Morgan Stanley) arising from those decisions may be greater as a result of certain portfolio, investment, service provider or other decisions made for the Sub-Fund than they would have been had other decisions been made, which also might have been appropriate for the Sub-Fund. Morgan Stanley will not share any of the interest, fees and other compensation discussed herein received by it (including, for the avoidance of doubt, amounts received by the Investment Manager, other than as specifically set herein and in the Articles of Association or the Management Agreement) with the Sub-Fund or the Shareholders, and neither the Management Fee or the Incentive Fee payable by or on behalf of the Sub-Fund and any Shareholder will be reduced thereby.

Morgan Stanley's Investment Management Activities. Morgan Stanley conducts a variety of investment management activities, including sponsoring investment funds registered under the Investment Company Act subject to its rules and regulations. Such activities also include managing assets of pension funds that are subject to federal pension law and its regulations. Such activities are generally restricted to investments in publicly traded securities but may present conflicts if the Sub-Fund pursues an investment in, or if one of the Investee Companies seeks to acquire or merge with, a public company in which Morgan Stanley's investment management clients and investment companies have previously invested.

Morgan Stanley's Marketing Activities. Morgan Stanley is engaged in the business of underwriting, syndicating, brokering, administering, servicing, arranging, and advising on the distribution of a wide variety of alternative structured products and other securities in which the Sub-Fund may invest, including, without limitation, royalty-backed bonds and royalty sales, tax receivable agreements, index dividend swaps, synthetic performing loan securitisations, CLOs and CMBS. The Sub-Fund may invest in transactions in which Morgan Stanley acts as underwriter, placement agent, syndicator, broker, administrative agent, servicer, advisor, arranger, or structuring agent and receives fees or other compensation from the sponsors of such products or securities.

Without limiting the generality of the foregoing, in light of the Sub-Fund's investment strategy, it is anticipated that a portion of the Sub-Fund's investments will be sourced from various Morgan Stanley business units, including in particular, but without limitation, the Institutional Securities Group (which includes Investment Banking, Sales & Trading, and Global Capital Markets) ("**ISG**"). It is expected that in many instances, ISG may serve as an advisor (or other capacity) to or will otherwise represent the counterparty in the transaction and will not act on behalf of the Sub-Fund, although in other instances, ISG may serve as a broker to both the counterparty and the Sub-Fund. Some of the roles in which ISG may serve include the following, among others:

(i) Referral Only: In a referral only situation, ISG may refer or introduce the counterparty to the Sub-Fund in respect of the potential transaction. ISG would not serve in any advisory capacity and would not receive compensation from the counterparty in respect of the referral or introduction, but may receive compensation (e.g., a finder's fee) from the Sub-Fund. The Board of Directors, on the Sub-Fund's behalf, would negotiate the terms of the transaction directly with the counterparty without any involvement from ISG.

(ii) Club Deal: In a "club deal," ISG may serve as an advisor or placement agent, underwriter or arranger to the counterparty and would assist the counterparty in undertaking a transaction process involving multiple potential investors, including the Sub-Fund. The Sub-Fund would participate alongside other investors and in most instances would not serve as the lead negotiator of the investment terms. It is expected that ISG would receive a fee from the counterparty in respect of the consummation of the transaction, including in respect of any investment made by the Sub-Fund.

(iii) Divestiture: In a divestiture situation, ISG may serve as an advisor to either the buyer or the seller in the transaction in respect of which a divesture of a subsidiary or asset of either the buyer or the seller would be required for regulatory or other similar reasons (e.g., antitrust). In this situation, the Sub-Fund may purchase or otherwise invest in the subsidiary or asset being divested and, in most instances, the Board of Directors would negotiate the terms of the transaction with either the counterparty divesting the subsidiary or asset or a co-advisor to ISG (if any), rather than directly with ISG. ISG would be expected to receive a fee in respect of the overall M&A transaction and may receive additional compensation in respect of the divesture.

(iv) Difficult Capital Raise: In a difficult capital raise, ISG may serve as an advisor, placement agent, underwriter, arranger, and/or bookrunner, to the counterparty in respect of a capital raise that encounters some difficulty (e.g., the counterparty becomes distressed during the book-build). In this situation, the Sub-Fund would be invited to participate in the financing and the Board of Directors would negotiate the terms of the financing directly with ISG or the counterparty. ISG would be expected to receive a fee from the counterparty in respect of the consummation of the transaction.

The situations described above are provided for illustrative purposes to describe some of the types of situations, and actual or potential conflicts, that the Sub-Fund may encounter in connection with its investment activities sourced from Morgan Stanley. However, there can be no assurance that the investment team will be successful in identifying Investments similar to the ones described above or that the Sub-Fund will be able to source Investments from other businesses within Morgan Stanley. To the extent that the Sub-Fund does pursue Investments similar to those described above, Shareholders should be aware that potential and actual conflicts of interest between Morgan Stanley and/or any of its clients, on the one hand, and the Sub-Fund, on the other hand, may exist and others may arise. By executing its Subscription Agreement, an investor will be deemed to consent (including, without limitation, for purposes of Section 206(3) of the Advisers Act) to all such transactions, along with the other transactions involving conflicts of interest described in this Supplement and Prospectus,

to the fullest extent permitted by law. To mitigate any actual or potential conflicts of interest in connection with transactions sourced from Morgan Stanley, the Board of Directors may, but shall not be required, unless required by applicable law, take any of the following steps, among others: (1) implement policies and procedures designed to conform with applicable rules and regulations governing affiliated transactions, or (2) seek the consent of the requisite vote of the Shareholders as the Board of Directors may determine in its sole discretion. See also "—Other Affiliate Transactions" above.

Conflicts with Investee Companies. Officers and employees of the Investment Manager or Morgan Stanley may serve as directors of certain Investee Companies and, in that capacity, will be required to make decisions that they consider to be in the best interest of the Investee Company. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the Investee Company, actions that may be in the best interests of the Investee Company may not be in the best interests of the Sub-Fund, and vice versa. In addition, the possibility exists that the companies with which one or more members of the investment team or other employees of Morgan Stanley are involved could engage in transactions that would be suitable for the Sub-Fund, but in which the Sub-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 Investment Manager or Morgan Stanley and such person's duties as a director of the Investee Company.

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in an entity that is a competitor of an Investee Company or that is a service provider, supplier, customer, or other counterparty with respect to an Investee Company. In providing advice and recommendations to, or with respect to, such Investee Companies, and in dealing in their securities on behalf of itself or such Affiliated Investment Accounts, to the extent permitted by law, Morgan Stanley will not take into consideration the best interests of the Sub-Fund, its Investments and/or Investee Companies. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Sub-Fund, its Investments and/or its Investee Companies. Conflicts of interest may also arise with respect to the allocation of Morgan Stanley's time and resources between such Investee Companies. In addition, in providing services to such Investee Companies, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Sub-Fund) or disclosing, even though such action or disclosure would be in the best interests of the Sub-Fund. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to Investee Companies to provide services to competing entities invested in by Morgan Stanley or Affiliated Investment Accounts, which may have adverse consequences for the Sub-Fund. See also "—Non-Public Information" above.

Transactions with Investee Companies of Affiliated Investment Accounts. Investee Companies may be counterparties to or participants in agreements, transactions or other arrangements with Investee Companies or other entities of portfolio investments of Affiliated Investment Accounts (for example, an Investee Company may retain a company in which an Affiliated Investment Account invests to provide services or may acquire an asset from such company or vice versa). Certain of these agreements, transactions and arrangements involve fees, servicing payments, rebates and/or other benefits to Morgan Stanley or its Affiliates. For example, Investee Companies may, including at the encouragement of Morgan Stanley, enter into agreements regarding group procurement and/or vendor discounts. Morgan Stanley and its Affiliates may also participate in these agreements and may realise better pricing or discounts as a result of the participation of Investee Companies. Certain of these agreements may provide for commissions or similar payments and/or discounts or rebates to be paid to a portfolio entity of an Affiliated Investment Account, and such payments or discounts or rebates may also be made directly to Morgan Stanley or its Affiliates. Under these arrangements, a particular Investee Company or other entity may benefit to a greater degree than the other

participants, and the Morgan Stanley funds, investment vehicles and accounts (which may or may not include the Sub-Fund) that own an interest in such entity will receive a greater relative benefit from the arrangements than the Morgan Stanley funds, investment vehicles or accounts that do not own an interest therein. Fees and compensation received by portfolio companies of Affiliated Investment Accounts in relation to the foregoing will not be shared with the Sub-Fund or offset against Management Fees or Incentive Fee distributions payable by the Sub-Fund.

Diverse Membership; Relationships with Shareholders. The Shareholders of the Sub-Fund are expected to include persons or entities, which may have conflicting investment, tax, and other interests in respect of their investments in the Sub-Fund. The conflicting interests of individual partners may relate to or arise from, among other things, the nature of Investments made by the Sub-Fund, the structuring of the acquisition of Investments, the purchase by the Sub-Fund of assets from an Investee Company where certain Shareholders did not participate in such Investment, and the timing of disposition of investments. Such structuring of Investments and other factors may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager, including in respect of the nature or structuring of investments, that may be more beneficial for one Shareholder than for another Shareholder, especially in respect of Shareholders' individual tax situations. In addition, the Sub-Fund may make investments that may have an adverse impact on related investments made by the Shareholders in other transactions. In selecting and structuring investments appropriate for the Sub-Fund, the Board of Directors will consider the investment and tax objectives of the Sub-Fund and its Shareholders as a whole, instead of the investment, tax, or other objectives of a single Shareholder. Certain Shareholders may be significant or long-standing clients of Morgan Stanley's investment management or securities businesses. Morgan Stanley will consider these relationships in its dealings with the Sub-Fund.

Amendments. The terms governing the Articles of Association and the Prospectus may generally be amended with the approval of the Board of Directors and the Shareholders holding the required majority of Shares, subject to the non-objection of the CSSF. Such amendments may include changes to the Sub-Fund's investment objectives, investment restrictions and other limitations. In addition, certain terms, including affiliate transaction restrictions, may be waived with the approval of the Board of Directors, to the extent permitted under the Prospectus and applicable laws. Shareholder consent may be granted despite the objection of a large minority in interest of the Shareholders. Any such amendment or waiver may be considered adverse by the Shareholders who did not support the amendment or waiver.

Syndication. The Sub-Fund may, on a recurring or ad hoc basis, consummate an Investment with the expectation that a portion of the interests therein (which may be substantial relative to the portion of the applicable Investment that the Sub-Fund will ultimately hold) will later be re-allocated to co-investors or sold (or "syndicated") to third-party investors (which may include Affiliated Investment Accounts) (within a reasonable period of time after consummating such co-investment, and generally at a price equal to the sum of (i) the Sub-Fund's acquisition cost for the transferred portion of such co-investment, including any allocable expenses relating thereto (based on the amount syndicated relative to the amount retained by the Sub-Fund) and (ii) interest on such amount from the closing date of such co-investment by the Sub-Fund through the transfer date to such certain participating persons at a rate at least equal to the Sub-Fund's cost of funds, for the period of time during which such transferred portion was funded by borrowing by the Sub-Fund).

To the extent the Sub-Fund enters into an Investment or any portion thereof intended as a co-investment, there can be no assurance that the Investment Manager will be successful in reallocating or syndicating such co-investment, in whole or in part; that the reallocation or syndication of a co-investment will be consummated in a timely manner; that the reallocation or syndication will take place

on terms and conditions that are favourable to the Sub-Fund; that the Sub-Fund will seek or receive as part of the re-allocation or sale consideration interest on the amount of the initial acquisition cost of the reallocated or syndicated investment; that the Sub-Fund will obtain or retain the benefit of any income received or accrued on such Investment during the period of its ownership of the co-investment portion; that the Sub-Fund will generate a positive net return on such investment from the co-investment or syndication participants; that the consideration received by the Sub-Fund in respect of the reallocation or syndication of such Investment will reflect the value of any such Investment as of the date of the reallocation or syndication; that expenses incurred by the Sub-Fund (including any borrowing costs and out-of-pocket expenses) with respect to such co-investment or syndication will ultimately be borne by or shared by co-investment or syndication participants; or that expenses incurred by the Sub-Fund with respect to such co-investment or syndication will not be substantial. There may be situations where the Sub-Fund may not be able to require co-investors to pay all or their share of the expenses incurred by the Sub-Fund with respect to such co-investment or syndication. Factors outside the Sub-Fund's control will impact when certain investments are able to be re-allocated or syndicated, which may affect the purchase price, the amount of interest/proceeds and/or carrying cost (if any) that will accrue to, and be paid to, the Sub-Fund upon such syndication or reallocation. Certain debt arrangements have restrictions on assignments and participations which may negatively impact the Sub-Fund's ability to exit from all or part of its investment or co-investment, or influence the structure and other arrangements relating to such exit or syndication. In the event that the Investment Manager is not successful in reallocating or syndicating an Investment or any portion thereof intended as a co-investment, in whole or in part, the Sub-Fund may consequently hold a greater concentration in and have a higher exposure to the relevant Investment (and the underlying borrower or Investee Company) than was initially intended. An Investment by the Sub-Fund which is not re-allocated or syndicated to co-investors or third parties as originally anticipated could significantly reduce the Sub-Fund's overall investment returns as a result of such increased concentration risk. Although co-investment or syndication participants may ultimately share in the risks and benefits of any hedging and financing transactions and other expenses and liabilities that occur prior to the re-allocation or syndication of an Investment, the Sub-Fund is directly exposed to these risks, as well as investment-related risks, prior to completing the re-allocation or syndication of an Investment.

The Sub-Fund may dispose of Investments (including in connection with the syndication of co-investments as described herein) by transferring the legal and/or beneficial title to the underlying Investment (for example, by way of assignment or transfer) or by retaining the legal and/or beneficial title to the underlying Investment and transferring only the risk or an economic interest associated with an Investment (for example, by way of sub-participation, hedging arrangement or other back-to-back contractual arrangement). In relation to sub-participations or similar arrangements, co-investors may not pay any fees to the Sub-Fund for the benefit of such arrangements. The Sub-Fund, as grantor, may also be subject to counterparty credit risk in respect of sub-participants or other counterparties in connection with such arrangements where such counterparties fail to settle at the required time, whether due to system failure, insolvency or otherwise, the amounts required to be funded by them in order for the Sub-Fund to meet its obligations under the relevant Investment, which could significantly reduce the Sub-Fund's overall investment returns.

Potential conflicts of interest may arise in dealing with any investors to whom the Sub-Fund has syndicated certain Investments, and the Investment Manager and its Affiliates may not be motivated to act solely in accordance with its functions and interests relating to the Sub-Fund. In addition, certain investors may have more information about the Sub-Fund or any particular Investment than other investors, and the Board of Directors will have no duty to ensure all investors seek, obtain or process the same information regarding the Sub-Fund and its Investments and/or portfolio entities. See also "Risk Factors and Potential Conflicts of Interest—Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses".

Management Fees generally will not be rebated with respect to the syndicated portion of the Investments from the date of initial acquisition through the closing of the syndication (though Management Fees will not be charged on such syndicated portion following the completion of such syndication).

Temporary Investments in Cash Management Products. Subject to applicable laws, the Sub-Fund may at times keep a portion of its assets in cash, cash equivalents or other short-term, high grade liquid assets, including, without limitation, government securities, commercial papers, interest bearing or overnight deposits or open-ended mutual funds that invest in government securities or repurchase agreement. Such temporary investments may be financed by entering into repurchase agreements and/or reverse repurchase agreements with the Sub-Fund's brokers or by other means. Shareholders should be aware that such temporary investments usually produce a lower return than other investments contemplated by the Sub-Fund and therefore may impact the overall performance of the Sub-Fund.

To more efficiently invest short-term cash balances held by the Sub-Fund, the Investment Manager may also invest such balances on an overnight "sweep" basis in shares of one or more money market funds or other short-term vehicles. In connection with any of these investments, the Sub-Fund will bear all fees pertaining to the investment, including advisory, administrative or 12b-1 fees, and no portion of any fees and expenses otherwise payable by the Sub-Fund will be offset against Management Fees payable in accordance with any of these investments. The Investment Manager nonetheless believes these sweep investments are in the best interests of the Sub-Fund and are made on fair and reasonable terms.

Management of the Sub-Fund. The members of the investment team will devote such time as the Investment Manager, in its sole discretion, deems necessary to carry out the operations of the Sub-Fund effectively. The members of the investment team and/or the investment committee may also work on projects for Morgan Stanley (including the Affiliated Investment Accounts), and conflicts of interest may arise in allocating management time, investment resources, services, or functions among such Affiliates. In particular, investors should be aware that most of the members of the Sub-Fund's investment committee have significant other responsibilities to Affiliates of the Investment Manager, will continue to be active in Affiliated Investment Accounts independent from the Sub-Fund currently in existence and may also be involved in Affiliated Investment Accounts independent from the Sub-Fund formed in the future. The agreements and arrangements among Morgan Stanley, the Sub-Fund, and the members of the investment team and/or the investment committee have been and will be established by Morgan Stanley and may not be the result of arm's-length negotiations. Certain members of the investment team and/or the investment committee are not expected to be involved in every aspect of the Sub-Fund, including in evaluating and reviewing certain types of investments made by the Sub-Fund. Morgan Stanley (including the Investment Manager, members of the investment team and members of the investment committee) is not precluded from conducting activities unrelated to the Sub-Fund.

The members of the investment team and/or the investment committee may also serve as members of the boards of directors of various companies other than Investee Companies. The possibility exists that such companies could engage in transactions which would be suitable for the Sub-Fund, but in which the Sub-Fund might be unable to invest. The members of the investment team and/or the investment committee may also enter into strategic alliances or form Affiliated Investment Accounts in the future that are independent of the Sub-Fund. Conflicts may arise as a result of such other activities.

The Investment Committee. The investment committee has principal responsibility for approving new investments and oversight over portfolio construction and management of existing investments. The investment committee is expected to be comprised of senior members of the investment team and other Morgan Stanley investment professionals and executives. There is no assurance that all members of the investment committee will be present at every meeting of the investment committee, or otherwise involved in all decisions of the investment committee. Most of the members of the investment committee will be involved in business activities of Morgan Stanley other than activities with respect to the Sub-Fund. Conflicts of interest may arise between Morgan Stanley or its clients on one hand, and the Sub-Fund on the other hand, including without limitation for the reasons set out in this section (*Risk Factors and Potential Conflicts of Interest*). Members of the investment committee may be affected by such conflicts of interest as a result of their other activities for Morgan Stanley. One or more members of the investment committee may recuse themselves from attendance at one or more meetings of the investment committee or from participation in certain of its activities, with a view to mitigating actual or potential conflicts of interest, even where such individual has relevant knowledge or experience with respect to the matters under consideration that would have assisted the investment committee in making its decisions. Also, a member of the investment committee may be precluded from attending, or may decide not to attend, meetings of the investment committee as a result of regulatory or other requirements affecting such individual. To the extent that one or more members of the investment committee does not participate in the meetings or activities of the investment committee for any reason, this may result in the investment committee making different decisions to those that it would have made had such member(s) participated (including, without limitation, investment decisions), which may have adverse consequences for the Sub-Fund. Conversely, a member of the investment committee may, to the extent permitted by Morgan Stanley's internal policies and applicable law, attend and participate in meetings of the investment committee notwithstanding that such individual is affected by conflicts of interest as contemplated in this paragraph. In such a case, the investment committee may reach different conclusions with respect to matters affecting the Sub-Fund (including without limitation investment decisions) than it would have reached had such member either not been affected by such conflict of interest or had recused himself or herself from participating in such decision, which may have adverse consequences for the Sub-Fund. Furthermore, the Investment Manager may change the composition of the investment committee from time to time. There can be no assurance that any replacement members of the investment committee will be of comparable experience and seniority to current members of the investment committee.

Investments in Investments of Other Funds. When the Sub-Fund invests in certain companies or other entities, other funds affiliated with the Investment Manager may have made or may be making an investment in such companies or other entities. Other funds that have been or may be managed by the Investment Manager may invest in the companies or other entities in which the Sub-Fund has made an investment. Under such circumstances, the Sub-Fund and such other funds may have conflicts of interest (e.g., over the terms, exit strategies and related matters, including the exercise of remedies of their respective investments). If the interests held by the Sub-Fund are different from (or take priority over) those held by such other funds, the Investment Manager may be required to make a selection at the time of conflicts between the interests held by such other funds and the interests held by the Sub-Fund.

Credit Standing of the Sub-Fund. The Sub-Fund will be required to establish business relationships with its counterparties based on the Sub-Fund's own credit standing. Morgan Stanley will not have any obligation to allow its creditworthiness to be used in connection with the Sub-Fund's establishment of its business relationships, nor is it expected that the Sub-Fund's counterparties will rely on the creditworthiness of Morgan Stanley in evaluating the Sub-Fund's creditworthiness.

Legal Counsel of the Sub-Fund. Fried, Frank, Harris, Shriver & Jacobson LLP and Fried, Frank, Harris, Shriver & Jacobson (London) LLP ("**Fried Frank**"), Arendt & Medernach SA (acting exclusively with respect to Luxembourg law matters), Walkers Ireland LLP (acting exclusively with respect to Irish law matters) and other counsel (collectively, "**Counsel**") will act as counsel to the Sub-Fund, the Board of Directors, the AIFM and the relevant Investment Manager(s), as the case may be, in connection with the offering of Shares and other ongoing activities. Counsel may represent Morgan Stanley, the Board of Directors, the AIFM, the relevant Investment Manager(s) and their respective Affiliates from time to time in a variety of different matters. In connection with this offering of Shares and ongoing advice to the Sub-Fund, the Board of Directors, the AIFM and the relevant Investment Manager(s), Counsel will not be representing any investor absent an express agreement to the contrary with such investor. Separate counsel has not been, and it is not anticipated that separate counsel will be, engaged to act on behalf of the Shareholders. Representation by Counsel of the Sub-Fund, the Board of Directors, the AIFM, the relevant Investment Manager(s) and their Affiliates may be limited to specific matters as to which they have been instructed to advise on by such persons. There may exist other matters which could have a bearing on the Sub-Fund, the Board of Directors, the AIFM, the relevant Investment Manager(s) and/or their Affiliates as to which Counsel have not been consulted or advised of. In the event a conflict of interest or dispute arises between any Morgan Stanley entity and the Sub-Fund or any Investor, the applicable Counsel will act as counsel to such Morgan Stanley entity and not counsel to the Sub-Fund as a whole or such individual investor(s), notwithstanding the fact that, in certain cases, such Counsel's fees are paid through or by the Sub-Fund (and therefore in effect by the investors). Counsel may be removed without the consent of, or notice to, the investors. In addition, Counsel does not (collectively or individually) undertake to monitor the compliance of the Sub-Fund, the Board of Directors, the AIFM, the relevant Investment Manager(s) and their Affiliates with the investment strategies, investment programs, valuation procedures, investment restrictions and other guidelines and terms set forth in this Prospectus and any relevant Supplement and the Articles of Association, nor does Counsel (collectively or individually) monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of information set forth in this Prospectus and any relevant Supplement, including information concerning the Sub-Fund, Board of Directors, the relevant Investment Manager, the AIFM, Morgan Stanley and their Affiliates and personnel. Counsel may also act as counsel to portfolio companies, equity sponsors of portfolio companies, other creditors of portfolio companies, or an agent therefor, a party seeking to acquire some or all of the assets or equity of a portfolio company, or a person engaged in litigation with a portfolio company. Prospective investors should seek their own legal, tax, and financial advice before making an investment in the Sub-Fund.

In the course of advising the Board of Directors, there are times when the interests of the Shareholders may differ from those of the Board of Directors and the relevant Sub-Fund(s). Counsel does not represent the Shareholders' interests in resolving these issues.

In reviewing this Prospectus and the relevant Supplement, Counsel has relied upon information furnished to it by the Board of Directors and has not investigated or verified the accuracy or completeness of the information set forth in this Prospectus and the relevant Sub-Fund, including information concerning the relevant Sub-Fund(s), the Board of Directors, the relevant Investment Manager and their Affiliates, and personnel.

Other present and future activities of Morgan Stanley may give rise to additional conflicts of interest.

THE FOREGOING LIST OF RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS AND POTENTIAL CONFLICTS INVOLVED IN THIS OFFERING. BEFORE MAKING A DECISION TO INVEST, POTENTIAL INVESTORS SHOULD READ THEIR SUBSCRIPTION AGREEMENT AND THIS

SUPPLEMENT IN THEIR ENTIRETY, AND CONSULT THEIR OWN LEGAL, FINANCIAL AND TAX ADVISERS.EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THESE POTENTIAL CONFLICTS OF INTEREST. BY SUBSCRIBING FOR SHARE CLASSES IN THE SUB-FUND, EACH INVESTOR WILL BE DEEMED TO HAVE ACKNOWLEDGED THE EXISTENCE OF EACH SUCH ACTUAL, APPARENT AND POTENTIAL CONFLICT OF INTEREST, TO HAVE CONSENTED THERETO, TO HAVE WAIVED ANY CLAIM IN RESPECT OF THE EXISTENCE OF SUCH CONFLICT OF INTEREST AND TO HAVE ACKNOWLEDGED THAT ANY SUCH CONFLICTS OF INTEREST WILL BE RESOLVED BY MORGAN STANLEY IN ITS DISCRETION WITHOUT ANY GUARANTEE THAT ANY SITUATION INVOLVING A CONFLICT WILL BE RESOLVED IN FAVOUR OF THE FUND. OTHER PRESENT AND FUTURE ACTIVITIES OF MORGAN STANLEY MAY GIVE RISE TO ADDITIONAL CONFLICTS OF INTEREST.

ANNEX III
AIFMD DISCLOSURE STATEMENT

The AIFM has made available to Shareholders the relevant information in respect of the Sub-Fund as set out by Article 23 of Directive 2011/61/EU (the "**AIFMD**") and the EU Regulation 2015/2365 on transparency of securities financing transactions (the "**SFTR**") as follows (the "**AIFMD Disclosure Statement**"). This AIFMD Disclosure Statement also includes disclosures required pursuant to Regulation (EU) (2019/2088) on sustainability related disclosures in the financial services sector ("**SFDR**"). This AIFMD Disclosure Statement should be read together with the Prospectus and the contents of Annex IV (SFTR Disclosure) and Annex V (Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852) therein, as the context requires, and any capitalised terms not otherwise defined within this AIFMD Disclosure Statement shall adopt the meanings given to them elsewhere in this Supplement, including in the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(a)	Description of the investment strategy and objectives of the AIF.	Please refer to section (*Investment Objectives and Investment Strategy*) of this Supplement.
Art 23(1)(a)	Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds.	The Sub-Fund is not a feeder fund or a fund of funds.
Art 23(1)(a)	Description of the types of assets in which the AIF may invest.	Please refer to sections (*Investment Objectives and Investment Strategy*), and (*Investment Limitations*) of this Supplement.
Art 23(1)(a)	Description of the techniques the AIF may employ and all associated risks.	Please refer to sections (*Investment Objectives and Investment Strategy*) and (*Derivatives and Securities and Financing Transactions*) of this Supplement, Annex II (*Risk Factors and Conflicts of Interest*), Annex IV (*SFTR Disclosure*) to this Supplement, and section 16 (*Certain Risk Considerations*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(a)	Description of any applicable investment restrictions.	Please refer to section (*Investment Limitations*) of this Supplement
Art 23(1)(a)	Description of the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements.	Please refer to section (*AIFMD Leverage*) of this Supplement. The Sub-Fund's assets could potentially be subject to reuse. Restrictions on reuse of collateral will be detailed in the relevant documents related to the repurchase agreements in accordance with the requirements of applicable law and regulatory regimes. Any changes to any right of re-use of collateral will be disclosed to the Investors in accordance with the requirements of AIFMD.
Art 23(1)(a)	Description of the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Please refer to section (*AIFMD Leverage*) of this Supplement.
	Information required to be disclosed pursuant to the SFTR	Please refer to section (*Derivatives and securities financing transactions*) of this Supplement and Annex IV (*SFTR Disclosure*) to this Supplement.
Art 23(1)(b)	Description of the procedures by which the AIF may change its investment strategy or investment policy, or both.	Please refer to section 13 (*Amendments*) of the Prospectus: Amendments to this Supplement (including change to the investment strategy or policy) which may adversely affect Shareholders in a material respect, as reasonably determined by the Board of Directors require one (1) month's prior notice to Shareholders in order to enable them to request, before the amendments are effective, that their Shares be redeemed in accordance with and

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		subject to the terms contained in this Supplement, free of any Redemption Fee or other repurchase, reduction or redemption charge.
Art 23(1)(c)	Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Please refer to sections 12 (*General Information*) and 12.3 (*Investor Rights*) of the Prospectus.
Art 23(1)(d)	Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the Shareholders' rights.	**AIFM**: MSIM Fund Management (Ireland) Limited 24-26 City Quay Dublin D02 NY19 Ireland **Investment Manager**: Morgan Stanley Investment Management Limited 25 Cabot Square, Canary Wharf London E14 4QA, United Kingdom **Sub-Investment Manager** Eaton Vance Management One Post Office Square Boston, MA 02109-2106 United States **Depositary:** The Bank of New York Mellon SA/NV Luxembourg Branch Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand-Duchy of Luxembourg

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		Administrator, Registrar and Transfer Agent The Bank of New York Mellon SA/NV Luxembourg Branch Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand-Duchy of Luxembourg **Auditor:** Deloitte Audit S.à r.l. 20, Boulevard de Kockelscheuer L - 1821 Luxembourg Grand Duchy of Luxembourg **Legal Counsel:** Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 United States Fried, Frank, Harris, Shriver & Jacobson (London) LLP 100 Bishopsgate London EC2N 4AG, United Kingdom Arendt & Medernach S.A. 41A, Avenue JF Kennedy L-2082 Luxembourg Walkers Ireland LLP The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland The AIFM will perform the risk management function and oversight of the portfolio management function for the Sub-Fund. The AIFM is acting as Global Distributor for the Sub-Fund and may from time to time in its sole discretion appoint one or more Sub-Distributors. The AIFM is the alternative investment fund manager for the purposes of the AIFMD. The AIFM has established and maintains a risk management function in-house, which ensures compliance with the requirements of AIFMD. The AIFM is ultimately responsible for its risk management framework, which encompasses a culture of risk management principles and practices that support risk identification, measurement, monitoring, escalation

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		and decision making. The AIFM's permanent and independent in-house risk management function is represented by the Chief Risk Officer. The Investment Manager (in respect of the Private Investments, the Other Liquid Assets and, where relevant, the Liquidity Investments) and the Sub-Investment Manager (in respect of the Liquidity Investments only) will have full discretion and be responsible for making portfolio management decisions for the Sub-Fund, including conducting due diligence, analysing, structuring, and negotiating potential investments, monitoring the performance of investments, incurring leverage and other indebtedness and making all investment and disposition decisions for the Sub-Fund, as well as providing certain administrative services to the Sub-Fund, subject to the supervision of the AIFM. The Depositary will be responsible for the functions contemplated by Article 21 of the AIFMD. Certain custody assets of the Sub-Fund (such as shares tradable on a liquid market and settled in a central securities depositary) may be entrusted to the Depositary for safekeeping in accordance with the AIFMD. The Depositary may delegate custody of such assets to one or more sub-custodians. Other assets of the Sub-Fund may be held by a separate custodian. The Depositary will exercise oversight over the custody of such other assets in accordance with Article 21(8)(b) of the AIFMD. The Auditor will audit the financial statements of the Sub-Fund on an annual basis and deliver an audit opinion to the Sub-Fund in respect thereof. The Administrator will carry out all central administrative duties related to the central administration of the Sub-Fund, including calculation of the Net Asset Value. The Administrator is responsible for handling the processing of subscriptions for the Shares of the Sub-Funds, dealing with requests for redemption, accepting transfers of funds, safekeeping the Share Register and mailing documents to Shareholders. Legal counsel will provide the Fund and/or the AIFM with advice in respect of negotiating the terms of the Sub-

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		Fund and will draft legal documentation in respect of the Sub-Fund. Investors' rights against the Sub-Fund are provided for in the Articles of Association and are governed under the applicable laws of the Grand Duchy of Luxembourg. Investors do not have any direct rights against the Investment Manager, the Sub-Investment Manager, the Administrator (or any other delegates appointed by the AIFM) or the Auditor. In the event that the actions or omissions of any service provider to the Sub-Fund were to result in an adverse impact on an investor in the Sub-Fund, this may give rise to contractual rights for the Sub-Fund; however, any such rights would need to be exercised by, or for, the Sub-Fund on behalf of Investors as a whole. Investors in the Sub-Fund may have direct rights against the Depositary and the AIFM in certain circumstances for breach of statutory duty founded on the AIFMD and its implementing measures. Complaints against the AIFM may be addressed to the compliance officer at the AIFM. The AIFM is authorised and regulated by the Central Bank of Ireland at the following address: New Wapping Street North Wall Quay Dublin 1 D01 F7X3.
Art 23(1)(e)	Description of how the AIFM is complying with the requirements of Article 9(7) of the AIFMD.	The AIFM covers its potential professional risks resulting from its activities as an AIFM by holding additional funds in its own account which are appropriate to cover potential liability risks arising from professional negligence.
Art 23(1)(f)	Description of any delegated management functions as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, identity of the delegate and description of related conflicts of interest that may arise from such delegations.	Morgan Stanley Investment Management Ltd will be appointed by the AIFM as delegated portfolio manager with respect to all Investments and, subject to permitted sub-delegation of its management functions with respect to specific investment as further described below, will perform the day-to-day portfolio management of the portion of the Sub-Fund's investment portfolio comprising the Private Investments and Other Liquid Assets. The Investment Manager has sub-delegated the management of the portion of the Sub-Fund's investment portfolio comprising the Liquidity Investments to Eaton Vance Management. Notwithstanding such sub-delegation, the Investment Manager may also exercise certain of its portfolio

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		management functions and powers with respect to Liquidity Investments. Further information is set out in section (*Investment Manager and Sub-Investment Manager*) of this Supplement. The AIFM may decide to delegate portfolio management functions in relation to the Sub-Fund alongside or replacing the Investment Manager and/or Sub-Investment Manager to one or more entities of the Morgan Stanley group. The Depositary may delegate the performance of its safekeeping functions, subject to certain conditions. However, the liability of the Depositary will not be affected by the fact that it has entrusted the safekeeping function to a third party. As part of the normal course of its business, the Depositary or the safekeeping delegate may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. In relation to conflicts of interest, please refer to Annex II (*Risk Factors and Potential Conflicts of Interests*) to this Supplement and section 14 (*Conflicts of Interest*) of the Prospectus.
Art 23(1)(g)	Description of the AIF's valuation procedure and the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19 of the AIFMD.	Please refer to section (*Valuation Methodology*) of this Supplement and section 7 (*Valuation and Net Asset Calculation*) of the Prospectus.
Art 23(1)(h)	Description of the AIF's liquidity risk management, including redemption rights of Shareholders, both in normal circumstances and exceptional circumstances and a description of the existing	Please refer to section (*Redemptions and Liquidity*) of this Supplement and sections 6 (*Shares*) and 6.4 (*Redemption of Shares*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
	redemption arrangements with Shareholders.	
Art 23(1)(i)	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by Shareholders.	Please refer to section (*Distributor; Sub-Distributors*), (*Incentive Allocation*), (*Costs of setting up the Sub-Fund*), (*Management Fee*), (*Distribution Costs*), (*Other Costs*), (*Investment Expenses Allocation*) of this Supplement and section 9 (*Fees and Expenses*) of the Prospectus. There is no maximum amount of fees, charges or expenses which may be borne directly or indirectly by Investors.
Art 23(1)(j)	Description of how the AIFM ensures a fair treatment of Shareholders and a description of any preferential treatment or the right to obtain preferential treatment obtained by any Shareholder, a description of that preferential treatment, the type of Shareholders who obtain such preferential treatment and, where, relevant, their legal or economic links with the AIF or AIFM.	Please refer to sections 12 (*General Information*) and 12.4 (*Preferential Treatment*) of the Prospectus.
Art 23(1)(k)	Latest annual report referred to in Article 22 of the AIFMD.	No Annual Report is yet available in respect of the Sub-Fund. The first such report will be made available in accordance with section (*Reporting*) of this Supplement and sections 12 (*General Information*) and 12.1 (*Reports and financial statements*) of the Prospectus and made available to prospective investors upon request.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(l)	Procedure and conditions for the issue and sale of shares.	Please refer to sections (*Shares*), (*First Closing / Subscriptions*) and (*Share Classes*) of this Supplement, section 6 (*Shares*) of the Prospectus.
Art 23(1)(m)	Latest net asset value of the AIF or the latest market price of the interests of the AIF, in accordance with Article 19 of the AIFMD.	This information will be included in the latest Annual Report and made available to Shareholders upon request to the AIFM.
Art 23(1)(n)	Historical performance of the AIF, where available	This information will be provided to Investors in the annual and other regular reports when available.
Art 23(1)(o)	Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse AIF assets.	N/A
Art 23(1)(o)	Information about any transfer of liability to the prime broker that may exist.	N/A
Art 23(1)(p)	Description of how and when the information required to be periodically disclosed under	Please refer to section 12.5 (*Documents and information available*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
	Article 23(4) and Article 23(5) of the AIFMD will be disclosed to Shareholders.	
Article 23(2)	Description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with Article 21(13) of the AIFM Directive	The Depositary has not made any arrangement to contractually discharge itself of liability in accordance with Article 21(13) of the AIFMD.

ANNEX IV
SFTR DISCLOSURE

Any type of assets that may be held by the Sub-Fund in accordance with its investment objective and policy may be subject to repurchase agreements. The maximum proportion of the Net Asset Value of the Sub-Fund that can be subject to repurchase agreements is 100%. The expected proportion of the Net Asset Value of the Sub-Fund that will be subject to repurchase agreements will be a range of 0-100%.

In accordance with the requirements of AIFMD, the AIFM and the Investment Manager are required to exercise due diligence when selecting and appointing counterparties taking into account the services provided by such counterparties. When selecting counterparties to a repurchase agreement, such counterparties must meet the conditions that they are subject to supervision by a public authority, financially sound and have an organisational structure for performing the services which are to be provided by them in respect of the Sub-Fund. Factors that may be taken into account when considering financial soundness include legal status, country of origin and any credit rating. It is anticipated that the counterparties to such repurchase agreements may be corporate entities, banks, investment firms or other financial institutions or intermediary entities (which may or may not be related to the Sub-Fund or its service providers). The Investment Manager will check that the counterparties are subject to ongoing supervision by a public authority, are financially sound and have the necessary organisational structure and resources for the relevant type of transaction. In addition, a credit assessment will be undertaken by the Investment Manager with respect to each counterparty taking into account the minimum credit rating of the counterparty.

The Sub-Fund may accept cash collateral as agreed in the agreement with the counterparty or otherwise between the parties from time to time. It is not proposed that the Sub-Fund shall receive non-cash collateral. Collateral received by the Sub-Fund in respect of repurchase agreements will be valued in accordance with the Valuation Policy (as defined below). All revenues arising from the use of repurchase agreements by the Sub-Fund, net of direct and indirect operational and transaction costs, will be paid to the Sub-Fund.

The Sub-Fund may be entitled to pass cash or other assets to its counterparties as margin or collateral and such assets may therefore be passed outside the custodial network of the Depositary to an unlimited extent in order to support the Sub-Fund's transactions.

The Sub-Fund's assets could potentially be subject to reuse. Restrictions on reuse of collateral will be detailed in the relevant documents related to the repurchase agreements in accordance with the requirements of applicable law and regulatory regimes. Any changes to any right of re-use of collateral will be disclosed to the Shareholders in accordance with the requirements of AIFMD.

Save as provided for above, the Sub-Fund does not otherwise intend to invest in total return swaps or enter into other securities financing transactions within the meaning of the SFTR.

ANNEX V

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852)

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Morgan Stanley European Private Income Fund (the "**Sub-Fund**") a sub-fund of Cabot S.A. SICAV.

Legal entity identifier: 254900WC041M0N8W7K11

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: __%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: __%	☒ It promotes E/S characteristics, **but will not make any sustainable investments**

The **EU Taxonomy is** a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.**

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics through the application of (1) a binding exclusions policy; and (2) a binding scorecard methodology.

Exclusions Policy: The Sub-Fund promotes environmental and social characteristics by excluding investments in adult entertainment, production of controversial and conventional weapons, production of ammunition, production of tobacco, upstream production of palm oil, and oil sand and tar sand development. In addition, the Sub-Fund will not invest in companies that have violated the UN Global Compact or the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

The Sub-Fund also excludes from investment companies that generate over 5% of total revenue from any of the following activities: exploration and/or extraction of oil, thermal coal power generation and/or mining, gas extraction and/or power generation, and nuclear power generation.

The Exclusions Policy will not apply to the Regular Liquid Assets.

Scorecard: The Sub-Fund also promotes environmental and social characteristics by seeking to make Private Investments that the Manager considers perform well against various Environmental, Social and Governance criteria in accordance with the Manager's proprietary scoring methodology. All Private Investments will be assessed against the Scorecard, and the Manager will aim to have at least 75% of the Sub-Fund's Private Investments meet the ESG Threshold (as defined below). The Scorecard characteristic will not apply to the Regular Liquid Assets.

Please see "What is the asset allocation planned for this financial product?" below for further information.

The Sub-Fund does not use a reference benchmark for the purpose of attaining its environmental or social characteristics.

- *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The following sustainability indicators are used to measure the attainment of the Sub-Fund's environmental and social characteristics:

Binding environmental and social characteristic	**Indicator**	**Methodology**

Exclusions Policy	Exposure to Private Investments that violate any of the exclusion criteria set out above.	Measured in terms of the percentage of Private Investments within the portfolio.
Scorecard	ESG score (0-3, 3 best)	The score is based on the Manager's proprietary ESG scoring methodology which assesses potential investment across a range of environmental, social and governance topics to derive a weighted score.

Additional details on the Sub-Fund's exclusions criteria and methodology are provided below in response to the question, "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*".

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

- *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

  Not applicable

- *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

  Not applicable

Does this financial product consider principal adverse impacts on sustainability factors?

☒Yes

☐No

The Sub-Fund considers some of the principal adverse impacts ("**PAI**") on sustainability factors through the Sub-Fund's exclusionary criteria that are applied to Private Investments, as follows:

- The Sub-Fund excludes issuers which receive 5% or more of their revenue from the exploration and/or extraction of oil, thermal coal power generation and/or mining.

The Sub-Fund therefore partly considers PAI indicator number 4: exposure to companies active in the fossil fuel sector.

- The Sub-Fund excludes issuers that have violated the UN Global Compact Principles. The Sub-Fund therefore considers in part PAI indicator number 10: violations of UN Global Compact principles and OECD Guidelines for Multinational enterprises.

- The Sub-Fund excludes issuers which receive any revenue from the production of controversial weapons. The Sub-Fund therefore considers in part PAI indicator number 14: exposure to controversial weapons.

The above exclusionary criteria do not apply to the Regular Liquid Assets.

The proprietary scorecard used for the Sub-Fund also considers certain PAIs as inputs when assessing Private Investments from an ESG perspective. These include PAI indicator number 13 board gender diversity and PAI indicator 1: GHG emissions.

The Sub-Fund will make information available on how it has considered the PAIs in its periodic reports to investors. At the time of writing, the Investment Manager expects that this data will be presented at the portfolio-level, rather than the individual investment level. Investors and other audiences to which the Sub-Fund's ESG reporting will be directed will also have ongoing access to materials (e.g., the Sub-Fund's 'ESG Framework' document) that describe how the exclusions and scorecard impact on our investment decisions.

What investment strategy does this financial product follow?

The investment strategy guides investmentdecisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund's investment strategy is to seek to originate and underwrite a diversified and defensive portfolio of privately negotiated, senior secured loans and second lien senior secured term loans to European middle market companies that have leading market positions, enjoy higher barriers to entry, generate strong and stable free cash flow and are led by a proven management team with strong financial sponsor backing. The Sub-Fund will also have the option to provide financing on a more selective basis in the form of mezzanine, unsecured debt, and (in connection with investments in debt and debt-related instruments) equity and equity-like investments.

The investment objective is to achieve attractive risk-adjusted returns for investors through a combination of ongoing current cash yield (including upfront fees and interest payments) and repayment of principal, with upside through equity or equity-like participations. The investment approach is focused on long-term credit performance, risk mitigation and preservation of capital, all subject to the Sub-Fund's binding and integrated focus on ESG throughout the investment process.

The Sub-Fund will conduct quarterly and annual portfolio performance review meetings in which asset-level and portfolio-level performance is explored and appraised in detail. The investment process itself (including the integration of ESG factors) will be under continuous review and revised when the investment and/or operations team consider that market conditions or other strategic factors warrant it.

- *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

Binding criteria	
The Sub-Fund will not invest in Private Investments which:	**<u>Derive any revenue from any of the following activities:</u>** • Production of adult entertainment • Production of controversial and conventional weapons • Production of ammunition • Production of tobacco • Upstream production of palm oil; and • Oil sand and tar sand development **<u>Derive more than 5% revenue from any of the following activities:</u>** • Exploration and/or extraction of oil • Thermal coal power generation and/or mining • Gas extraction and/or power generation; and • Nuclear power generation **<u>Violate any of the following norm-based exclusions:</u>** • UN Global Compact; and • International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Compliance with the above exclusions will be assessed prior to investment and reassessed on at least an annual basis (using information received from borrowers and/or appropriate proxies or estimates) using in-house research and third-party data.

Scorecard	The Scorecard scores Private Investments on a number of environmental, social, and governance criteria and returns a score out of 3. The different factors that it considers include the following: **Environmental Focus.** The environmental section of the Scorecard contains nine questions focused on how Private Investments interact with their immediate environment and their efforts to minimise waste and emissions. Specifically, the Investment Manager gathers information on the Private Investment's policies concerning water management, waste distribution, recycling, energy efficiency, green/renewable energy usage, emissions reduction, and whether it has experienced any environmental contamination issues or compliance violations. **Social Focus.** The social section of the Scorecard covers a wide range of topics relating to human capital management and diversity and inclusion. In particular, the Investment Manager seeks to probe the Private Investment's modern slavery policies, the training and development opportunities provided for employees, engagement with community outreach and charitable schemes, recruitment targets for minority applicants, diversity monitoring, and whether employees are regularly surveyed. **Governance Focus.** The Investment Manager also seeks to garner deep insights into the governance architecture of all potential Private Investments through fourteen targeted questions in the Scorecard. Areas of focus include whether executive remuneration is linked to ESG targets, the format and composition of board meetings/members, and whether the company has dedicated compliance staff and resources. In addition, the Investment Manager asks for information surrounding confidential whistleblowing procedures, independent board members, escalation processes for ESG issues, and codes of conduct including policies for anti-discrimination, sexual harassment, employee rights and general compliance. The investment team aim to have at least 75% of Private Investments made by the Sub-Fund achieve a score above 1 out of 3 (the "**ESG Threshold**") following the period ending one year after the date of the initial issuance of Shares by the Sub-Fund (the "**ESG Scorecard Ramp Up**"), and in normal market conditions. The investment team will seek, where possible, to obtain the necessary information from borrowers in order to populate the Scorecard prior to investment. However, where this is not possible, the investment team will ensure that the Scorecard is completed within 4 months of investment.

	Each investment committee memorandum includes a dedicated section (including, where available, the score from the Scorecard) on the ESG risks and merits of the company, enabling the investment committee members to reach an informed judgement on whether to approve the investment given the company's ESG record. Discussion of ESG matters is an integral part of each investment committee meeting. The Investment Manager is responsible (i) for verifying the quality and scope of the ESG due diligence upon which the Private Investment's perceived ESG credentials rest, and (ii) for ensuring that, where possible, multiple ESG data sources are used to corroborate findings. Subsequently, the Investment Manager will seek to review ESG data from Private Investments on an annual basis (together with more frequent updates where possible) to ensure compliance with the Sub-Fund's environmental and social characteristics. The ESG due diligence findings of the Investment Manager will be reviewed and considered by the Investment Committee. Records of ESG diligence materials and updates will be stored to ensure that any post hoc external reviews of the Sub-Fund's Private Investments can be undertaken thoroughly. The Sub-Fund will rescore each company on the ESG Scorecard on an annual basis (using information received from borrowers and/or appropriate proxies or estimates) to ensure that progress and potential issues across a wide range of ESG indicators are identified and tracked. Following the ESG Scorecard Ramp Up, the Investment Manager will monitor the portfolio's compliance on an ongoing basis and to the extent the Investment Manager considers that the portfolio's compliance has or may fall below 75%, the Investment Manager will take such remedial steps as it considers appropriate to raise the portfolio's compliance back to at least 75%. However, given the highly illiquid nature of the Private Investments that the Investment Manager expects to make on behalf of the Sub-Fund, the scope for divestment of companies underperforming against the ESG Threshold is likely to be very limited.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

  Not applicable. No minimum reduction rate has been defined in relation to the Sub-Fund's scope of investments.

- *What is the policy to assess good governance practices of the investee companies?*

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

As part of its bottom-up, fundamental research process, the Manager systematically incorporates the assessment of a portfolio company's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social factors and controversies, sourced from third-party providers, through in-house research, and through engagement with the management of selected companies on corporate governance and disclosure issues.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest:

- at least 80% of its portfolio in Private Investments; and
- up to 20% of its portfolio in Regular Liquid Assets. The Regular Liquid Assets are intended to provide the Sub-Fund with additional liquidity and / or to manage cash before investing capital received from investors into other investments.

The Exclusions Policy will be applied to the Private Investments, and therefore cover 80% of the portfolio.

Additionally, as noted above, within the 80% of the portfolio invested in Private Investments, the Manager aims to have at least 75% of Private Investments meeting the ESG Threshold following the one year ESG Scorecard Ramp Up, and in normal market conditions. Accordingly, at the end of the one year ESG Scorecard Ramp Up and in normal market conditions, the Sub-Fund expects:

- to invest a minimum of 60% of the portfolio in Private Investments which meet the ESG Threshold, as described above; and
- to have up to 40% of the portfolio invested in Regular Liquid Assets (which will not be assessed using the Scorecard) and in Private Investments which do not meet the ESG Threshold.

However, given the investment strategy pursued by the Sub-Fund:

- the Sub-Fund anticipates that the proportion of committed capital in Regular Liquid Assets will be up to 20%, which in turn would mean that the proportion of committed capital in Private Investments meeting the ESG Threshold in normal market conditions may be higher than 60%;
- outside of ordinary market conditions or during periods of market stress, the proportion of committed capital in Regular Liquid Assets may be higher, and therefore the proportion of committed capital in Private Investments meeting the ESG Threshold may be lower than 60%; and

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

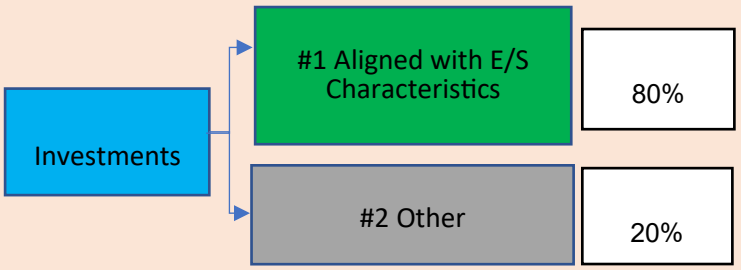
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

- during the ESG Scorecard Ramp Up (or any other period where the committed capital of the Sub-Fund is not fully invested), the proportion of Private Investments meeting the ESG Threshold may fall below the thresholds set out above.

These percentages are measured according to the value of the investments. The percentages do not take into account hedging instruments that may be held by the portfolio from time to time, as the Manager generally expects them to represent a nil to minimal proportion of the overall Sub-Fund portfolio.

The Sub-Fund does not intend to make any sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation ("**SFDR**").

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable - the Sub-Fund does not commit to making sustainable investments or Taxonomy aligned investments.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

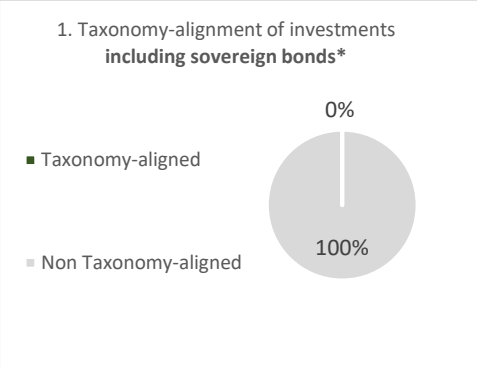
  ☐ Yes:

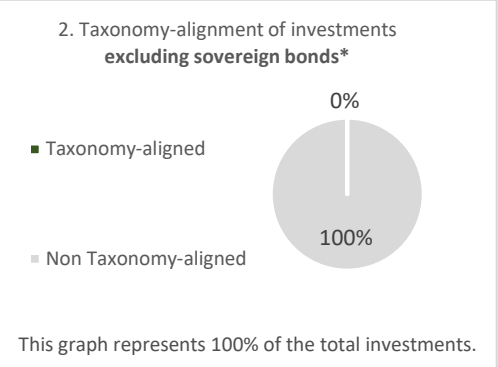
  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable

What is the minimum share of socially sustainable investments?

Not applicable

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may invest up to 20% of its portfolio in Regular Liquid Assets (namely cash deposits, money market instruments and other cash-equivalents and liquid assets for liquidity management purposes, and investments in broadly syndicated senior secured floating rate loans, bonds, and other secured and unsecured debt instruments that may be issued by sub-investment grade corporations (that may

be rated below investment grade credit quality ("BB+"/"Ba1" or below) or, if not rated, are in the determination of the relevant Investment Manager of equivalent credit quality) with a focus on "performing" issuers, with strong competitive market positions that generate relatively predictable streams of free cash flow). As noted above, hedging instruments (such as FX forwards) may be held within the portfolio from time to time, however they have not been represented in the asset allocation section above as the Manager generally expects them to represent a nil to minimal proportion of the overall Sub-Fund portfolio. No minimum environmental or social safeguards will be applied to the Regular Liquid Assets or to such ad hoc positions in hedging instruments.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Where can I find more product-specific information online?

More product-specific information can be found on the website: https://www.morganstanley.com/im/publication/msprivatefund/material/sfdrwebsite_pf_europeanprivateincome_en.pdf

ANNEX VI
SELLING RESTRICTIONS

The distribution of the Prospectus and this Supplement and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may (in addition to those restrictions under the laws of various jurisdictions described herein) be restricted or prohibited by law. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence and domicile with respect to the acquisition, holding or disposition of the Shares. Copies of the Prospectus and this Supplement distributed to investors in a particular jurisdiction may include an additional notice regarding the offering and sale of the Shares in that jurisdiction, which notice, if included, will be annexed to the Prospectus and this Supplement.

Distribution in the European Economic Area:

In relation to each member state of the EEA (each a "**Relevant State**") which has implemented the Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the "**AIFMD**"), the Prospectus and this Supplement may only be distributed and Shares may only be offered or placed in a Relevant State to the extent that: (1) the Sub-Fund is permitted to be marketed to professional investors in the Relevant State in accordance with AIFMD (as implemented into the local law/regulation / as it forms part of local law of the Relevant State); or (2) the Prospectus and this Supplement may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Relevant State (including at the initiative of the investor).

In relation to each Relevant State which, at the date of the Prospectus and this Supplement, has not implemented AIFMD, the Prospectus and this Supplement may only be distributed and Shares may only be offered or placed to the extent that the Prospectus and this Supplement may be lawfully distributed and the Shares may lawfully be offered or placed in that Relevant State (including at the initiative of the investor).

Distribution in Belgium:

Any offer to sell or sale of Shares to non-professional investors must be made in compliance with the provisions of the Code of Business Law to the extent applicable. In addition, no public offer shall be made except in compliance with the Act of 19 April 2014 relating to alternative investment funds and their managers.

Distribution in Germany:

Shares may only be offered or distributed to investors domiciled in Germany who are able to demonstrate that they are either (i) professional investors within the meaning of section 1 para. 19 no. 32 of the German Capital Investment Code (Kapitalanlagegesetzbuch – "**KAGB**") which means professional clients pursuant to Annex II of MiFID or investors that may be treated as such up-on application; or (ii) semi-professional investors within the meaning of section 1 para. 19 no.33 of the KAGB (collectively the "**German Eligible Shareholders**").

Consequently, the Prospectus and this Supplement and any other document relating to the Shares, as well as information or statements contained therein, may not be supplied to any other category of investors in Germany than the German Eligible Shareholders. Any resale of the Shares in Germany may only be made to German Eligible Shareholders and in accordance with the provisions of the KAGB and any other applicable laws in Germany governing the sale and offering of the Shares.

Prospective investors should be aware that the Prospectus and this Supplement have not been approved by the BaFin.

Prospective investors wishing to be qualified as semi-professional investors in Germany in accordance with section 1 para. 19 no. 33 lit. a) of the KAGB should, in addition, be aware that the amount of any investment by the investor in the Shares shall correspond to at least EUR 200,000 and that they are required to complete and sign a separate categorisation form, in order to be qualified as a semi-professional investor.

The foregoing is subject to the legend entitled “Distribution in the European Economic Area” above and the requirements of the AIFMD.

Distribution in Italy:

The Prospectus and this Supplement and the offer of the Shares of the Sub-Fund is addressed to professional investors as defined in the Italian consolidated law on finance No. 58 of 24 February 1998, as amended from time to time and in the regulations of the Commissione Nazionale Per Le Società E La Borsa (Consob) issued pursuant to it, in accordance with the framework of the Directive 2014/65/EU of 15 May 2014 on Markets and Financial Instruments and Regulation (EU) No. 600/2014 of 15 May 2014 on Markets and Financial Instruments. In addition to professional investors, the Shares of the Sub-Fund may be offered to the following categories of retail investors: (a) Shareholders who subscribe or purchase Shares of the Sub-Fund for an initial, not fractionable amount of five hundred thousand euros (€500,000); (b) entities authorised to provide portfolio management services, who, in execution of their investment mandate, subscribe or purchase Shares of the Sub-Fund for an initial amount of not less than one hundred thousand euros (€100,000) on behalf of the Shareholders; and (c) Shareholders who subscribe or purchase Shares of the Sub-Fund for an initial, not fractionable amount of one hundred thousand euros (€100,000), provided that the following two conditions jointly apply: (a) the Shareholder’s commitments in alternative investment funds reserved to professional investors do not exceed the ten percent (10%) of the aggregate Shareholder’s financial portfolio; and (b) the Shareholder is making the commitment on the basis of the investment advice received from an entity duly licensed to provide such services. The addressee acknowledges and confirms the above and hereby agrees not to circulate the Prospectus and this Supplement in Italy unless expressly permitted by, and in compliance with, applicable law. In addition, any Shareholder will be required to agree and represent that any on-sale or offer of any Share by such Shareholder (in accordance with the Prospectus, this Supplement and any accompanying documentation) shall be made in compliance with all applicable laws and regulations.

Distribution in Saudi Arabia

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

Distribution in Switzerland:

The Sub-Fund has not been and will not be approved by the Swiss Financial Market Supervisory Authority ("**FINMA**") for offering to non-qualified investors in Switzerland pursuant to art. 120 para. 1 and 2 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (the "**CISA**"), nor have a Swiss representative and Swiss paying agent been appointed in relation to the Sub-Fund. Consequently, the Sub-Fund and the Shares may, in particular, not be marketed or offered in

Switzerland to non-qualified investors within the meaning of the CISA. Investors do not benefit from the specific investor protection afforded by the CISA nor from any supervision by FINMA in connection with an approval for offering.

The Prospectus, this Supplement and any accompanying documentation do not constitute an issuance prospectus pursuant to the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the "**FinSA**"), nor otherwise under Swiss law, and may therefore not comply with the corresponding disclosure standards. Furthermore, the Shares have not been and are not expected to be listed on any stock exchange or other regulated trading venue in Switzerland and, consequently, the information presented in the Prospectus and/or this Supplement in or any accompanying documentation does not necessarily comply with the disclosure standards set out in the relevant listing rules. Neither the Prospectus, this Supplement nor any other offering or marketing materials relating to the Sub-Fund or the Shares have been or will be filed with, or approved by, any Swiss governmental authority.

In Switzerland, the Sub-Fund and the Shares may only be advertised or offered, and the Prospectus and this Supplement and any other advertising or offering materials relating to the Sub-Fund or the Shares may solely be provided, to qualified investors pursuant to art. 10 para. 3 CISA that qualify as such based on their status as per se professional clients or institutional clients in accordance with art. 4 para. 3 to 5 of the FinSA, i.e. excluding any elective qualified investors, being high-net-worth private clients or private investment structures established for such clients (without professional treasury operations) that are considered professional clients and, by extension, qualified investors, on the basis of an opting-out pursuant to art. 5 para. 1 FinSA only.

Certain persons may on a discretionary basis be considered eligible for investment in the Sub-Fund (a) under art. 10 para. 3ter CISA if they intend to subscribe in the context of a long-term, remunerated investment management or investment advisory agreement with a prudentially regulated financial intermediary, or (b) if an intended subscription comes about at the express initiative of the potential investor that was not preceded by any advertising by the Sub-Fund, its affiliates or representatives. Further, no key information document (KID) according to the FinSA nor any equivalent document recognised under the FinSA has been or will be prepared in relation to the Sub-Fund, and, therefore, the Shares may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland (irrespective of their status and eligibility under the CISA), but may only be placed with, and solely made available to, such clients under a long-term, remunerated investment management agreement in accordance with art. 58 para. 2 FinSA.

The Prospectus and this Supplement and any accompanying documentation do not constitute investment advice. Said materials may only be used by those persons to whom they have been delivered in connection with the Sub-Fund or the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

Distribution in the United Kingdom:

The Prospectus and this Supplement may only be distributed and the Shares may only be offered or placed in the United Kingdom to the extent that (1) the Sub-Fund is permitted to be marketed to professional investors in the United Kingdom in accordance with Alternative Investment Fund Managers Directive (Directive (2011/61/EU) (the "**AIFMD**") (as it forms part of the domestic law of the United Kingdom)); or (2) the Prospectus and this Supplement may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in the UK (including at the initiative of the investor).

For the purposes of distribution within the United Kingdom, the Prospectus and this Supplement is being issued by Morgan Stanley Investment Management Limited to, and/or is directed at, only persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended ("**Promotion of**

CIS Order"), including persons who are authorised under the Financial Services and Markets Act 2000 ("**FSMA**"), as amended, certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, or trustees of high value trusts, persons who fall within an exemption set out in Section 4.12B.7(5) of the Financial Conduct Authority's Conduct of Business Sourcebook (including self-certified sophisticated investors or certified high net worth investors), or such other persons to whom the Prospectus and this Supplement may be lawfully communicated in accordance with FSMA and the Promotion of CIS Order. The Shares are only available to such persons in the United Kingdom and the Prospectus and this Supplement must not be relied or acted upon by any other persons in the United Kingdom.

Notice to resident of the United Kingdom

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

Estimated reading time: 2 min

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be very complex and high risk.

What are the key risks?

1. You could lose all the money you invest

- If the business offering this investment fails, there is a high risk that you will lose all your money. Businesses like this often fail as they usually use risky investment strategies.
- Advertised rates of return aren't guaranteed. This is not a savings account. If the issuer doesn't pay you back as agreed, you could earn less money than expected or nothing at all. A higher advertised rate of return means a higher risk of losing your money. If it looks too good to be true, it probably is.
- These investments are very occasionally held in an Innovative Finance ISA (IFISA). While any potential gains from your investment will be tax free, you can still lose all your money. An IFISA does not reduce the risk of the investment or protect you from losses.

2. You are unlikely to be protected if something goes wrong

- The Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover investments in unregulated collective investment schemes. You may be able to claim if you received regulated advice to invest in one, and the adviser has since failed. Try the FSCS investment protection checker here.
- Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection here.

3. You are unlikely to get your money back quickly

- This type of business could face cash-flow problems that delay payments to investors. It could also fail altogether and be unable to repay any of the money owed to you.
- You are unlikely to be able to cash in your investment early by selling your investment. In the rare circumstances where it is possible to sell your investment in a 'secondary market', you may not find a buyer at the price you are willing to sell.
- You may have to pay exit fees or additional charges to take any money out of your investment early or be unable to do so.

4. This is a complex investment

- This kind of investment has a complex structure based on other risky investments, which makes it difficult for the investor to know where their money is going.
- This makes it difficult to predict how risky the investment is, but it will most likely be high.
- You may wish to get financial advice before deciding to invest.

5. Don't put all your eggs in one basket

- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments.
- **If you are interested in learning more about how to protect yourself, visit the FCA's website** here.

For further information about unregulated collective investment schemes (UCIS), visit the FCA's website here

SUB-FUND SUPPLEMENT 2

SUPPLEMENT

IN RELATION TO THE PROSPECTUS OF **CABOT S.A. SICAV**

RELATING TO THE SUB-FUND **ASHBRIDGE PRIVATE EQUITY SECONDARIES ELTIF**

(hereinafter the "**Sub-Fund**")

Important Notice

This Supplement summarises selected features of the Sub-Fund in table format. Shareholders are strongly recommended to carefully read this Supplement in conjunction with the Sections 1 to 17 of the Prospectus (further referred to as the 'general part' of the Prospectus) and the Articles of Association and to seek professional advice.

The Board of Directors acting with respect to the Sub-Fund will only be liable for the description in this Supplement to the extent it is misleading, incorrect or inconsistent when read together with the aforementioned documentation.

This Supplement may be translated into other languages. Any translation shall contain the same information and have the same meaning as the English language Supplement. To the extent that there is any inconsistency between the English language Supplement and the Supplement in another language, the English language Supplement will prevail. Any further country specific information which is required as part of the offering documents in a particular country will be provided in accordance with laws and regulations of that country.

SHAREHOLDERS ARE SPECIFICALLY REFERRED TO THE RISK FACTORS IN THE GENERAL PART OF THE PROSPECTUS AND IN THIS SUPPLEMENT.

Shareholders will be offered to subscribe for Shares in the Sub-Fund pursuant to the Subscription Agreement, which will be governed by Luxembourg law. In the Subscription Agreement, each Shareholder declares that it has read and understood the aforementioned documentation or that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Shareholder confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto) and the Articles of Association.

Participation in the Sub-Fund is associated with intricate tax and regulatory matters that may differ from Shareholder to Shareholder. Each Shareholder is advised to clarify the actual tax and regulatory effects with its personal tax and legal adviser.

Investment in the Sub-Fund will involve significant risks due to, among other things, the nature of the Sub-Fund's investments. As a European long-term investment fund ("**ELTIF**") under the Regulation (EU) 2015/760 on European Long Term Investment Funds, as amended (the "**ELTIF Regulation**"), **the Sub-Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature**.

Investors are advised that only a small proportion of their overall investment portfolio should be invested in the Sub-Fund.

There can be no assurance that the Sub-Fund's objectives will be realized or that there will be any return of capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) that are characteristic of the investment described herein and should consult their own advisors as to legal, tax and related matters concerning an investment in the Sub-Fund. Shares in the Sub-Fund as offered by this Supplement are suitable only for prospective investors for whom an investment in the Sub-Fund constitutes only a small proportion of their overall investment portfolio and who fully understand, are willing to assume, and have the financial resources necessary to withstand, the risks involved in the investment program in which the Sub-Fund will engage. Each investor will be required to make certain representations to the Sub-Fund, including (but not limited to) representations as to investment intent, degree of sophistication, access to information concerning the Sub-Fund and ability to bear the economic risk of the investment.

The Shares of the Sub-Fund are subject to certain restrictions on transfers and do not offer redemption rights. Please refer to section (*No Redemptions and Liquidity)* below for more information. In particular, investors should note that the Sub-Fund provides no liquidity until the date of the End of Life of the Sub-Fund (as defined below). Redemptions to investors are possible only as from the day following the date of the End of Life of the Sub-Fund.

Investors subscribing for Shares at subsequent closings will participate in existing Portfolio Investments (as defined below) of the Sub-Fund, diluting the participation of existing Shareholders therein. Although such Shareholders will subscribe for Shares at Net Asset Value, there can be no assurance that this subscription price will reflect the fair value of the Sub-Fund's existing Portfolio Investments at the time such additional investors subscribe for Shares in the Sub-Fund.

In making an investment decision, investors must rely upon their own examination of the Sub-Fund, and of the terms of the offering, including the merits and risks, of the Shares described in this Supplement. Prospective investors will be offered an opportunity to become Shareholders in the Sub-Fund.

The Shares have not been registered with, or approved or disapproved by, the U.S. Securities and Exchange Commission (the "**SEC**") or any other U.S. federal or state governmental agency or regulatory authority or any securities exchange. No agency, authority or exchange has passed upon the accuracy or adequacy of this Supplement or the merits of an investment in the Sub-Fund. Any representation to the contrary is a criminal offense. Furthermore, neither the calculation nor the presentation of performance results in this Supplement has been approved or reviewed by the SEC.

AIP Opportunistic Secondaries III SLP LP, a Delaware limited partnership, will act as the delegated portfolio manager of the AIFM and provide certain discretionary investment services to the Sub-Fund (the "**Investment Manager**"). Morgan Stanley AIP GP LP, a Delaware limited partnership, is the general partner of the Investment Manager and provides certain administrative services to the Investment Manager in that capacity. The Morgan Stanley Private Equity Secondaries Team within the Investment Manager (the "**Team**") is part of Morgan Stanley's Private Credit & Equity Group ("**Morgan Stanley PC&E**" or "**PC&E**"). As used in this document, the term "**Morgan Stanley**" refers to Morgan Stanley and its subsidiaries and affiliates.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The offering contemplated by this Supplement will be made in reliance upon exemptions from the registration requirements of the Securities Act afforded by Regulation S

thereunder, and analogous exemptions under state securities laws and laws of other jurisdictions. This Supplement does not constitute an offer to sell or the solicitation of an offer to buy nor will any sale of Shares be made in any jurisdiction in which the offer, solicitation or sale is not authorized or to any person to whom it is unlawful to make the offer, solicitation or sale. The Shares are subject to substantial restrictions on transferability and resale and may not be transferred or resold except as provided in the Prospectus and the Articles of Association, the Securities Act and applicable state securities laws and laws of other jurisdictions, pursuant to registration or exemption therefrom. Accordingly, investors should be aware that they will be required to bear the financial risks of an investment in the Shares for an indefinite period of time. The Sub-Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. There will be no public market for the Shares and there is no obligation on the part of any person to register the Shares under the Securities Act. No person has been authorized to make any representations concerning the Sub-Fund that are inconsistent with those contained in this Supplement. The statements herein reflect views and opinions as of the date hereof and not as of any future dates and, to the fullest extent permitted by applicable law, the Board of Directors has no obligation to supplement or update the information contained herein.

This Supplement is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Shares and is not to be reproduced or distributed to any other person (other than professional advisors of the prospective investor receiving this document) without the prior written consent of the Board of Directors. Notwithstanding any other statement in this Supplement, the Board of Directors, the AIFM, the Investment Manager and their respective affiliates, agents and advisors authorize each Shareholder of the Sub-Fund and each Shareholder's employees, representatives or other agents, from and after the commencement of any discussions with any such party, to disclose to any and all persons without limitation of any kind the tax treatment and tax structure of the Sub-Fund and the Underlying Vehicles (as defined below), and any transaction entered into by the Sub-Fund or any Underlying Vehicle, and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment or tax structure that are provided to the Shareholders, except for any information identifying the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, any Underlying Vehicle or any parties to transactions entered into by the Sub-Fund or any Underlying Vehicle or (except to the extent relevant to such tax structure or tax treatment) any non-public commercial or financial information. As used in this paragraph, the term "tax structure" means any fact that may be relevant to understanding the purported or claimed U.S. federal or state income tax treatment of a transaction. By accepting delivery of this Prospectus, each prospective investor agrees to the foregoing and agrees to return or destroy this Prospectus if it does not wish to invest in the Sub-Fund.

An investment in the Shares will involve significant risks because of, among other things, the nature of the investments to be made by the Sub-Fund. Investors should have the financial ability and willingness to accept the risks, including the risk of loss of the entire investment, and lack of liquidity that is characteristic of the investments described herein. See Annex II: "Risk Factors and Potential Conflicts of Interest."

Any losses in the Sub-Fund will be borne solely by investors in the Sub-Fund and not by Morgan Stanley and its affiliates. Therefore, Morgan Stanley's losses in the Sub-Fund will be limited to losses attributable to the Shares in the Sub-Fund held by Morgan Stanley and its affiliates in their capacity as investors in the Sub-Fund. Shares in the Sub-Fund are not insured by the U.S. Federal Deposit Insurance Company ("**FDIC**"), and are not deposits, obligations of, or endorsed or guaranteed in any way by Morgan Stanley and its affiliates. Morgan Stanley and its affiliates do not, directly or indirectly,

guarantee, assume or otherwise insure the obligations or performance of the Sub-Fund described herein or any covered fund in which such fund invests. Investors should read this Supplement before investing in the Sub-Fund. MORGAN STANLEY IS THE SPONSOR OF THE SUB-FUND FOR PURPOSES OF SECTION 619 OF THE DODD-FRANK ACT ("**THE VOLCKER RULE**"). A DESCRIPTION OF THE ROLE AND SERVICES OF MORGAN STANLEY IS PROVIDED HEREIN.

Prospective investors should not construe the contents of this Supplement or any prior or subsequent communications from the Fund, the AIFM, the Investment Manager or any affiliate of the Fund, the AIFM, the Investment Manager or any of their officers, directors, employees, members (including members of the Team), principals or agents, as legal, regulatory, tax or financial advice. Each prospective investor should consult its own professional advisors as to the legal, tax, financial, accounting or other matters relevant to the suitability of an investment in the Sub-Fund for such investor. No assurance can be given that existing laws will not be changed or interpreted adversely to the Sub-Fund or the Shareholders in the Sub-Fund. This Supplement is qualified in its entirety by reference to the Articles of Association.

Any statements involving matters of opinion or estimates, whether or not so expressly stated as such, are set forth as such and not as representations of fact, and no representation is made that such opinions or estimates will be realized. The information and expressions of opinion contained in this Supplement are subject to change without notice. Reliance should not be placed on information or opinions contained in this Supplement, and such information and expressions of opinion should not form the basis for an investment decision. Morgan Stanley PC&E and its affiliates and their respective officers, directors, managers, stockholders, partners, members, employees, agents and other representatives accept no responsibility for any damages resulting from information or opinions provided in this Supplement, including any forward-looking statements, and disclaim any liability whatsoever for any loss howsoever arising from any use of such information or opinions.

Certain information contained herein concerning economic trends and performance is based on, or derived from, information provided by unaffiliated third-party sources, and neither the AIFM nor the Investment Manager has verified or is responsible for any inaccuracies, omissions and dated information contained in such third-party information. Such economic trend and performance information, and any analysis or conclusion regarding them, represent subjective views or beliefs of the Investment Manager and do not constitute statements of fact. The information provided herein does not take into account the particular investment objectives or financial circumstances of any investor.

Statements contained in this Supplement that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Investment Manager, as applicable. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, this Supplement contains "forward-looking statements," which can be identified by the use of forward-looking terminology, such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Investors should not rely on these forward-looking statements. Such statements include statements regarding the intent, opinion, belief or current expectations of the Investment Manager with respect to, among other things, (i) goals and strategies, (ii) investments, (iii) marketing plans and target markets, (iv) evaluation of securities or other investment markets, competition and competitive position, and (v) trends which may be expressed or implied by financial or other information or statements contained herein. Due to various risks and uncertainties, actual events or results or the actual performance of the Sub-Fund may differ materially from those

reflected or contemplated by such forward-looking statements as a result of factors beyond the Investment Manager's control.

The Board of Directors has taken all reasonable care to ensure that the facts stated in this Supplement are, at the date of this Supplement, true and accurate in all material respects and no material facts are omitted which would make such information misleading. The Board of Directors accepts responsibility accordingly.

Investors should be aware that pooled investment vehicles in which the Sub-Fund invests (the "**Underlying Vehicles**") may trade foreign futures or options contracts. Transactions in markets located outside the United States, including markets formally linked to a market in the United States, may be subject to regulations which offer different or diminished protection to the pool and its participants. Further, U.S. regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-U.S. jurisdictions where transactions for the pools may be effected.

To the maximum extent permitted by applicable law, whenever in the Prospectus or the Articles of Association the Board of Directors is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the Board of Directors will act under such express standards and will not be subject to any other or different standards imposed by the Prospectus, the Articles of Association or by law or any other agreement contemplated by the Prospectus or the Articles of Association and will be entitled to consider only such interests and factors as it desires, including its own interests and the interests of its affiliates, and will have no duty or obligation to give any consideration to any interest of or factors affecting the Sub-Fund or the Shareholders, and its determination will be final, binding, and conclusive as to all of the Shareholder, or (ii) in its "good faith," the Board of Directors will act under such express standard and will not be subject to any other or different standards imposed by the Prospectus, the Articles of Association or by law or any other agreement contemplated by the Prospectus or the Articles of Association.

All dollar amounts in this document refer to U.S. dollars.

EU Sustainable Finance Disclosure Regulation ("SFDR"): For the purposes of SFDR, the Sub-Fund is not an Article 8 or 9 product, as the Sub-Fund does not seek to promote environmental and/or social characteristics and does not have a sustainable investment objective. The Investment Manager takes ESG considerations into account, alongside other factors when conducting diligence on, and assessing risks associated with, potential investments. This Supplement also includes certain information on the Investment Manager's sustainability practices, at an organizational and investment team level, which may not necessarily be reflected in the portfolio of the Sub-Fund.

Any enquiries regarding this Supplement should be directed to:

Ashbridge Private Equity Secondaries ELTIF
c/o MaplesFS (Luxembourg) S.A.
12E, rue Guillaume Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

Any complaints in relation to the operations of the Sub-Fund should be directed by e-mail to: cslux@morganstanley.com

Complaints by a retail investor in connection with its investment in the Sub-Fund should be addressed to such retail investor's distributor or financial intermediary, with a copy to the Fund. If a retail investor does not have a distributor or financial intermediary, the complaint should be addressed in an official language of their Member State to the Fund as set out above.

NOTICE TO UK RESIDENT RECIPIENTS WHO ARE NOT PROFESSIONAL INVESTORS PURSUANT TO ARTICLE 59 OF THE ALTERNATIVE INVESTMENT FUND MANAGERS REGULATIONS 2013

This document is exempt from the general restriction (set out in section 21 of the Financial Services and Markets Act 2000) on the communication of invitations or inducements to engage in investment activity on the ground that it is made only to high net worth individuals as defined in section 48(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"). Each high net worth individual has made a statement complying with Part 1 of Schedule 5 of the FPO and satisfy the conditions set out in the statement to be classified as a high net worth individual.

The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

MSIM Fund Management (Ireland) Limited (the "AIFM") is responsible for making this communication. Requests for further information or any other enquiry regarding the matters to which the communication relates should be addressed to cslux@morganstanley.com. The AIFM is a limited company incorporated in Ireland, with registered number 616661 and address at 24-26 City Quay, Dublin, D02 NY19, Ireland.

Any individual who is in any doubt about the investment to which the communication relates should consult an authorised person specialising in advising on investments of the kind in question.

Definitions and interpretation

The following definitions which are specific to the Sub-Fund as well as the definitions of the general part of the Prospectus are applicable to this Supplement and have the meaning as described respectively below and in the general part of the Prospectus.

Accumulation Share Classes	has the meaning set forth in section (*Share Classes*) of this Supplement.
Affiliated Investment Accounts	any Morgan Stanley sponsored, organised, managed and advised alternative investment funds, investment vehicles, funds-of-one, separately managed accounts (including, in each case, those that seek to pursue a similar investment strategy to the Sub-Fund), and investment programs or businesses together with any new or successor funds, programs or businesses.
Applicable Profit Share Rate	the profit share rate applicable to each Share Class, being 12.5%, unless otherwise set out in Annex I (*Share Classes*) of this Supplement.
BHC Investor	any Shareholder who is subject to regulation under the BHCA.
BHCA	the U.S. Bank Holding Company Act of 1956, as amended.
Capital	the aggregate amount of total Subscription Capital Amounts of the Shareholders of the Sub-Fund, calculated on the basis of amounts investible after deduction of all fees, charges and expenses that are directly or indirectly borne by Shareholders.
Closing Date	the date when the Subscription Agreement of an Eligible Investor is accepted in accordance with the conditions set out in section (*First Closing / Subscriptions*) of this Supplement, which unless otherwise determined by the Board, shall be no later than five business days prior to the end of each calendar quarter.
Code	the U.S. Internal Revenue Code of 1986, as amended.
Dealing Date	has the meaning set forth in section (*First Closing / Subscriptions*) of this Supplement.
Discretionary Expense Cap	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement.
Distribution Share Classes	has the meaning set forth in section (*Share Classes*) of this Supplement.
Eligible Investment Assets	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.

Eligible Investors	has the meaning set forth in section (*Eligible Investors*) of this Supplement.
End of Life	has the meaning set forth in section (*End of Life and Wind-down Period*) of this Supplement.
ERISA	the U.S. Employee Retirement Income Security Act of 1974, as amended.
Excess Costs	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement.
Final Closing Date	the last Business Day of the eighteenth calendar month following the month in which the First Closing occurred, subject (i) to an initial extension in the sole discretion of the Board of Directors by six months and (ii) to further extension(s) with the Investor Special Consent.
First Closing	has the meaning set forth in section (*First Closing / Subscriptions*) of this Supplement.
First Closing Date	has the meaning set forth in section (*First Closing / Subscriptions*) of this Supplement.
Follow-on Investments	has the meaning set forth in section (*Investment Period*) of this Supplement.
Formation Date	the date on which the Sub-Fund was formed by a decision of the Board of Directors, following authorization by the CSSF, being 5 March 2025.
Fund	Cabot S.A. SICAV.
Fund Expenses	all costs, expenses and liabilities that in the good faith judgment of the Board of Directors are incurred by or arise out of the operation and activities of the Sub-Fund, as further described in this Supplement.
Global Distributor	has the meaning set forth in section (*Global Distributor; Sub-Distributors*) of this Supplement.
GP-led Transaction	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.

Intermediate Vehicle	has the meaning set forth in section (*Sub-Fund*) of this Supplement. Any reference to the Sub-Fund making Portfolio Investments or any other permitted investments or receiving Investment Proceeds shall read as a reference to the Sub-Fund making such Portfolio Investments or any other permitted investments or receiving such Investment Proceeds through the Intermediate Vehicle.
Intermediate Vehicle Expenses	all costs, expenses and liabilities that in the good faith judgment of the Investment Manager are incurred by or arise out of the operation and activities of the Intermediate Vehicle.
Investment Manager	AIP Opportunistic Secondaries III SLP LP, a Delaware limited partnership, acting by its general partner Morgan Stanley AIP GP LP, a Delaware limited partnership.
Investment Period	has the meaning set forth in section (*Investment Period*) of this Supplement
Investment Proceeds	gross proceeds of investments received by the Sub-Fund from or with respect to a Portfolio Investment or received by the Sub-Fund from or with respect to any other investments made by the Sub-Fund.
Investment Restrictions	has the meaning set forth in section (*Investment Limitations*) of this Supplement.
Life of the Sub-Fund	has the meaning set forth in section (*Life of the Sub-Fund*) of this Supplement.
Management Fee	has the meaning set forth in section (*Management Fee*) of this Supplement.
Morgan Stanley Related Persons	has the meaning set forth in section (*Allocation of Investment Opportunities*) of this Supplement.
Organizational Expenses	has the meaning set forth in section (*Costs of setting up the Sub-Fund*) of this Supplement.
Other Costs	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement.
Preferred Return	has the meaning set forth in section (*Distributions*) of this Supplement.
Portfolio Investment(s)	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.

Portfolio Investment Contribution	with respect to any Portfolio Investment, all amounts paid by the Sub-Fund with respect to such Portfolio Investment, including, without limitation, any amounts paid to the seller of such Portfolio Investment, and any capital contribution or other payment made or required to be made by the Sub-Fund directly or indirectly to a portfolio company, as the case may be.
Professional Investors	has the meaning set forth in section (*Eligible Investors*) of this Supplement.
Profit Share	has the meaning set forth in section (*Distributions*) of this Supplement.
Qualifying Portfolio Undertaking	has the meaning set forth in section 4.5 (*Certain ELTIF Considerations*) of this Prospectus.
Ramp-up Period	has the meaning set forth in section (*Investment Limitations*) of this Supplement.
Redemption	has the meaning set forth in section (*Redemptions*) of this Supplement.
Redemption Notification	has the meaning set forth in section (*Redemptions*) of this Supplement.
Redemption Settlement Period	the period of time, as specified for a Share Class in the relevant Redemption Notification, by the end of which the Sub-Fund will normally pay the redemption price (less any Redemption Fee) to the Shareholders as described in section (*Redemptions*) of this Supplement.
Reimbursement	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement.
Retail Investors	has the meaning set forth in section (*Eligible Investors*) of this Supplement.
Servicing Fee	has the meaning set forth in section (*Distribution Costs*) of this Supplement.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.
Sub-Distributor	has the meaning set forth in section (*Global Distributor; Sub-Distributors*) of this Supplement.
Sub-Fund	Ashbridge Private Equity Secondaries ELTIF, a sub-fund of the Fund.

Subscription Amount	has the meaning set forth in section (*Subscription Amounts*) of this Supplement.
Subscription Day	the first Business Day after a period of fourteen (14) calendar days after the Closing Date and the date where Shares are issued to the relevant Shareholders.
Subscription Capital Amount	with respect to each Shareholder, an amount equal to (i) such Shareholder's Total Subscription Amount, less (ii) any Subscription Fee payable with respect to such Shareholder's subscription for Shares (if applicable); which amount will be set forth on the books and records of the Sub-Fund.
Subscription Fee	the one-off amount, if any, payable to a Distributor or Sub-Distributor in relation to the subscription for Shares to be deducted from the Total Subscription Amount of a Shareholder.
Subscription Settlement Date	the date by which the Total Subscription Amount shall be paid as further detailed in the Subscription Agreement, which is 15 calendar days after the Closing Date.
Total Subscription Amount	the total amount paid by a Shareholder in respect of its subscription for Shares in the Sub-Fund, before the deduction of a Subscription Fee (if applicable).
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as may be amended from time to time.
UCITS Eligible Assets	the assets referred to in Article 50(1) of the UCITS Directive.
Underlying Vehicle	any intermediary entity within the meaning of Recital 12 of ELTIF Regulation, whether or not majority owned, through which the Sub-Fund holds one or more Portfolio Investments.
Valuation Day	has the meaning set forth in section (*Net Asset Value Calculation, Publication and Valuation Day*) of this Supplement.
Valuation Policy	has the meaning set forth in section (*Valuation Methodology*) of this Supplement.
Wind-down Period	has the meaning set forth in section (*End of Life and Wind-down Period*) of this Supplement.

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Sub-Fund	Ashbridge Private Equity Secondaries ELTIF (the "**Sub-Fund**"), a sub-fund of Cabot S.A. SICAV (the "**Fund**"). The Sub-Fund has been established in line with the aims of the ELTIF Regulation as set out in recital 1 of the ELTIF Regulation. The Sub-Fund will structure its investments through one or more intermediary entities within the meaning of Recital 12 of ELTIF Regulation, controlled directly or indirectly by the Sub-Fund within the meaning of the ELTIF Regulation (the "**Intermediate Vehicle**").
Life of the Sub-Fund	The life of the Sub-Fund commenced on the Formation Date, and shall continue, unless the Sub-Fund is sooner dissolved, until the date of the eighth anniversary of the First Closing; *provided that*, unless the Sub-Fund is sooner dissolved, the life of the Sub-Fund may be extended up to three times, each for a period of one year, at the election of the Board of Directors, in consultation with the AIFM and the Investment Manager; and provided, further, that the Board of Directors, in its sole discretion, in consultation with the AIFM and the Investment Manager, may elect to (a) not extend the life of the Sub-Fund or (b) end the life of the Sub-Fund at any earlier time by the redemption in full of all Shares in the Sub-Fund in accordance with section (*Redemptions*) below (such term, including any extensions, being referred to as the "**Life of the Sub-Fund**").
Investment Manager	AIP Opportunistic Secondaries III SLP LP, a Delaware limited partnership with its business address at 100 Front Street, Suite 700, West Conshohocken, Pennsylvania, 19428, will be appointed by the AIFM as delegated portfolio manager with respect to all the investments of the Sub-Fund and will perform the day-to-day portfolio management of the Sub-Fund's investment portfolio. The Investment Manager will have full discretion and be responsible for making portfolio management decisions for the Sub-Fund, including conducting due diligence, analysing, structuring, and negotiating potential investments, monitoring the performance of investments, incurring leverage and other indebtedness and making all investment and disposition decisions for the Sub-Fund, as well as providing certain administrative services to the Sub-Fund, subject to the supervision of the AIFM. The Investment Manager will be responsible for reviewing and approving investments, monitoring and harvesting investments, assisting in determining the valuation of such investments, and making related investment management decisions; making investment allocation decisions; determining the amount and timing of distributions; considering / making determinations in respect of certain potential conflicts of interest and determining whether to present such matters and / or certain other matters to the Shareholders; negotiating and entering into side letters or other similar agreements with Shareholders; and making certain other material decisions on behalf of the Sub-Fund as are required and have been delegated to it. The Investment Management Agreement can be terminated by the AIFM or the Investment Manager subject to and in accordance with its terms. The Investment Management Agreement may also be terminated with immediate effect if the AIFM reasonably determines that it is in the best interests of the Shareholders in accordance with the requirements of the AIFM Laws and Regulations. In addition, the Investment Management Agreement will automatically be terminated upon the removal of all or a

	majority of the Board of Directors by a decision of the Shareholders taken in accordance with the rules laid down in the Articles of Association and the Prospectus. The Investment Manager may be entitled to be indemnified and held harmless out of the assets of the Sub-Fund, as an Indemnified Person, in respect of any Claims and Expenses, other than those which resulted from Disabling Conduct. Please refer to section 5.10 (*Indemnification*) in the Prospectus for further details. Under the Investment Management Agreement, with respect to all securities held by the Sub-Fund, (A) the Investment Manager will have voting powers, including the power to vote, or direct the voting of, such securities and (B) the Investment Manager will have discretionary investment powers, including the power to dispose, or direct the disposition of, such securities. As the case may be, the AIFM may decide to delegate portfolio management functions in relation to the Sub-Fund alongside or replacing the Investment Manager to one or more entities of the Morgan Stanley group. In such case, this Supplement shall be amended and the Shareholders duly notified of such change. It is expressly noted that the appointment of a different Morgan Stanley entity as investment manager or sub-investment manager of the Sub-Fund is not deemed to be a material change requiring prior notice to, or the consent of, Shareholders. The delegation of the portfolio management functions for the Sub-Fund or any change remains subject to the prior consent of the CSSF and the requirements of the AIFM Laws and Regulations. Notwithstanding the delegation of portfolio management functions to the Investment Manager, the AIFM may, at its discretion, perform portfolio management services, provide non-discretionary recommendations and provide ancillary services with respect to all investments of the Sub-Fund in accordance with the terms of the AIFM Agreement.
Investment Objectives and Investment Strategy	The investment objective of the Sub-Fund is to invest primarily in "GP-led" private equity secondary transactions ("**GP-led Transactions**"), which typically entail a restructuring or recapitalization of a private equity-managed company or portfolio, an eligible private equity fund, or its manager. Typically, GP-led Transactions involve providing optional liquidity to investors in a private equity fund and/or providing tactical growth equity capital to support growth within specified assets in a private equity portfolio. The objective of the Sub-Fund is to invest principally in single-asset GP-led Transactions, a growing subset of the broader GP-led secondaries market that the Investment Manager believes represents a growing and potentially attractive risk-return opportunity. The Sub-Fund may also invest up to 20% of its Capital in other investments that are not GP-led Transactions, including primary investments related to a GP-led Transaction, strategic primary investments and other private markets transactions. Investments made by the Sub-Fund, as the case may be alongside Affiliated Investment Accounts, are referred to herein as "**Portfolio Investments**". While the Sub-Fund intends to invest primarily in Europe and North America, the Sub-Fund may make direct investments in assets in emerging private markets, including in non-BRIC (Brazil, Russia, India, China) countries, and in certain other markets (including Australia, Japan and Korea) of up to 5%, in the aggregate, of the Capital. The Sub-Fund does not expect to make direct investments in assets in securities and obligations of entities that are experiencing significant financial or business distress or entities involved in work-outs, liquidations, reorganizations, bankruptcies and similar transactions, or

	venture capital investments. Notwithstanding the foregoing, Portfolio Investments may make investments outside of Europe and North America (e.g., in emerging and other markets), and in distressed assets and venture capital, in each case without any limitations. The Sub-Fund will generally seek long-term capital appreciation by acquiring, holding and disposing of securities in portfolio companies, in accordance with and subject to the provisions of this Supplement. Portfolio Investments may be held indirectly by the Sub-Fund through one or more Underlying Vehicles. To the extent commercially reasonable, the Investment Manager shall cause the Sub-Fund to invest cash held by the Sub-Fund in UCITS Eligible Assets pending (a) funding of Portfolio Investment Contributions, (b) distribution to the Shareholders or (c) payment of Organizational Expenses or Fund Expenses. The Sub-Fund will not be limited with respect to the range or types of industries, sectors, companies, geographic regions or transactions in which it may invest, except as otherwise set forth in the Prospectus or this Supplement. The Sub-Fund will invest, as the case may be alongside Affiliated Investment Accounts, via the Intermediate Vehicle (and as the case may be Underlying Vehicles), in (i) equity or quasi-equity instruments within the meaning of article 10(a) of the ELTIF Regulation, issued by Qualifying Portfolio Undertakings and (ii) units or shares in one or more vehicles that qualify as EU AIFs managed by EU AIFMs which invest in eligible investments (as referred to in article 9(1) and (2) of the ELTIF Regulation) and have not themselves invested more than 10% of their assets in any other collective investment undertaking (the "**Eligible Investment Assets**"). For the avoidance of doubt, pursuant to article 15 of the ELTIF Regulation, the Sub-Fund shall not hold more than 30% of the units or shares of a single EU AIF managed by an EU AIFM. In addition, it is not contemplated for the Sub-Fund to pursue a fund-of-funds strategy. The Sub-Fund may also invest in any of the UCITS Eligible Assets within the meaning of article 9(1)(b) of the ELTIF Regulation. During the Ramp-up Period, the Sub-Fund may hold a substantially higher amount of liquid investments, including cash and cash equivalents. After the Ramp-up Period, the Sub-Fund will not hold more than 45% of its Capital in UCITS Eligible Assets. As an ELTIF, the Sub-Fund will invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide a late return or investment and generally have an economic profile of a long-term nature. The Sub-Fund will itself be, and an investment in the Sub-Fund should be, viewed by investors as, long-term in nature. The Sub-Fund's performance will not be determined by reference to any benchmark. The Sub-Fund will not invest in securitizations within the meaning of Securitisation Regulation. The Board of Directors, in consultation with the AIFM and the Investment Manager, may alter the investment strategies and policies of the Sub-Fund, provided that any material change is communicated to Shareholders and that this Supplement is updated in accordance with applicable Luxembourg and AIFMD regulatory requirements (including the prior authorization from the CSSF). Without prejudice to the generality of the foregoing, any amendment which may adversely affect Shareholders in a material respect, as reasonably determined by the Board of Directors, requires the consent of the Shareholders pursuant to an Investor Special Consent.

Investment Limitations	Notwithstanding the provisions of the general part of the Prospectus, the Sub-Fund will be managed in accordance with the investment limitations of the ELTIF Regulation, in particular with regard to eligible assets and spreading of investment risks in accordance with Chapter II of the ELTIF Regulation. The Investment Manager shall procure that: (a) the Sub-Fund shall, in line with the ELTIF Regulation, only invest in (i) Eligible Investment Assets and (ii) UCITS Eligible Assets; and (b) the Sub-Fund shall not undertake any of the following activities: (i) short selling of assets; (ii) taking direct or indirect exposure to commodities, including via financial derivative instruments, certificates representing them, indices based on them or any other means or instrument that would give an exposure to them; (iii) entering into securities lending, securities borrowing, repurchase transactions, or any other agreement which has an equivalent economic effect and poses similar risks, if thereby more than 10% of the assets of the Sub-Fund are affected by such transactions; and (iv) if applicable, using financial derivative instruments, except where the use of such instruments serves solely the purpose of hedging the risks inherent to other investments of the Sub-Fund. Following the Ramp-up Period and until the End of Life, subject to the provisions of this Supplement: (a) at least 55% of the Sub-Fund's Capital shall be invested in Eligible Investment Assets; (b) no more than 45% of the Sub-Fund's Capital shall be invested in UCITS Eligible Assets; (c) no more than 20% of the Sub-Fund's Capital shall be invested in instruments issued by, or loans granted to, any single Qualifying Portfolio Undertaking; (d) no more than 20% of the Sub-Fund's Capital shall be invested in any single real asset; (e) no more than 20% of the Sub-Fund's Capital shall be invested in units or shares of any single EU AIF managed by an EU AIFM; (f) the aggregate risk exposure to any single counterparty of the Sub-Fund in relation to over the counter (OTC) derivative transactions shall not exceed 10% of the value of the Capital of the Sub-Fund; and

	(g) no more than 10% of the Sub-Fund's Capital shall be invested in UCITS Eligible Assets where those assets have been issued by any single issuer (and the concentration limits set out in article 56(2) of the UCITS Directive shall also apply to investments in such assets by the Sub-Fund). The 10% limit in (g) above may be increased to 25% where bonds are issued by a credit institution which has its registered office in a member state and is subject by law to special public supervision designed to protect bond-holders (in particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest). Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting rules, shall be regarded as a single Qualifying Portfolio Undertaking or a single body for the purpose of calculating the limits referred to in this section. The Investment Manager and undertakings that belong to the same group as the Investment Manager, and their staff may co-invest in the Sub-Fund and co-invest with the Sub-Fund in the same asset, provided that the Investment Manager has put in place organizational and administrative arrangements designed to identify, prevent, manage and monitor conflicts of interest and provided that such conflicts of interest are adequately disclosed. Investment restrictions set out above shall be measured upon the cost of each investment and the most recently available Net Asset Value of the Sub-Fund at such measurement date. In the event of a breach of any of the foregoing investment restrictions for reasons beyond the control of the Investment Manager, the Investment Manager will take the necessary measures to correct the situation within an appropriate period of time and with due regard to the interests of the Shareholders of the Sub-Fund. When a Qualifying Portfolio Undertaking in which the Sub-Fund has invested in no longer fulfils the conditions to be either unlisted or listed but whose market capitalisation is below EUR 1,500,000,000, such investment shall continue to be recognised as an eligible financial asset for a maximum period of three (3) years from the moment the condition is no longer met.
Ramp-up Period	The Sub-Fund's Ramp-up Period will commence as from the First Closing and will end on the third anniversary of the last Business Day of the month of the Final Closing Date, subject to the provisions of Article 17 of the ELTIF Regulation. The Ramp-up Period may be terminated, in advance, upon the decision of the Board of Directors. During the Ramp-up Period, the investment limitations set forth above do not apply. In particular, before the Sub-Fund starts investing in Eligible Investment Assets, it is

	expected that the cash contributions from Shareholders will be mainly invested in UCITS Eligible Assets, being inter alia, money market instruments, deposits and investment funds subject to the UCITS Directive. In this respect, the Sub-Fund is expected to invest in shares or units of one or more UCITS and, for the avoidance of doubt, may invest in shares or units of a single UCITS during the Ramp-Up Period.
Investment Period	The Sub-Fund may make Portfolio Investments, and enter into new commitments with respect to Portfolio Investments at any time from the First Closing through the third anniversary of the last Business Day of the month of the Final Closing (the "**Investment Period**"). The Board of Directors may, in its sole discretion (in consultation with the AIFM and the Investment Manager), extend the applicable Investment Period by two successive one-year periods. After the termination of the Investment Period, the Sub-Fund will not purchase, or enter into any new commitments with respect to, Portfolio Investments, provided that the Sub-Fund may (i) complete Portfolio Investments that are in process as of the end of the Investment Period and (ii) at any time after the Investment Period, make additional commitments to, or secondary investments in, an existing Portfolio Investment (or additional investments in a portfolio company held by or otherwise related to a Portfolio Investment) ("**Follow-on Investments**") in an aggregate amount that, together with all other Follow-on Investments, does not exceed, with respect to the Sub-Fund, 10% of the aggregate Subscription Capital Amounts paid to the Sub-Fund.
Reinvestment	Notwithstanding anything contained herein to the contrary, the Board of Directors may at any time, in its sole discretion (in consultation with the Investment Manager), direct that all or any portion of distributable cash otherwise distributable to the Shareholders instead be retained by the Sub-Fund and used to satisfy, or establish reserves for, any of the Sub-Fund's current or anticipated obligations (including, without limitation, Management Fees, any other Fund Expenses, Organizational Expenses or any other obligations, including those arising from Portfolio Investments) or to make new Portfolio Investments; provided, however, that the aggregate amount of capital commitments made by the Sub-Fund to Portfolio Investments shall not exceed 110% of the Sub-Fund's Capital; provided that, for this purpose, any capital commitment that the Sub-Fund makes to a Portfolio Investment from which the Sub-Fund is released shall be deemed not to have been made.
Global Distributor; Sub-Distributors	The AIFM acts as distributor for the Sub-Fund (the "**Global Distributor**"). The Global Distributor, from time to time in its sole discretion, may appoint one or more sub-distributors including, without limitation, banks, investment advisers, registered broker-dealers, trust companies and others, who may or may not be affiliated with Morgan Stanley, on such terms as the Global Distributor may determine (any such person, a "**Sub-Distributor**"). The Sub-Fund may bear all expenses relating to the offering of the Shares and the appointment of the Global Distributor and any Sub-Distributors, including reimbursement for the out-of-pocket expenses incurred by the AIFM or any Sub-Distributors in marketing the Shares and any additional amounts they may incur or may have incurred in connection with the marketing of the Shares.
Currency of the Sub-Fund	The Sub-Fund is denominated in U.S. Dollar (USD). However, Share Classes may be denominated in any currency or multiple currencies.

Net Asset Value Calculation, Publication and Valuation Day	The Net Asset Value for the Sub-Fund and each Share Class (as applicable) shall generally be calculated by the Administrator, under the responsibility of the AIFM, quarterly as of the last Business Day of each calendar quarter, and on such other dates as the Board of Directors may determine, pursuant to the provisions of the Articles of Association and the Prospectus (a "**Valuation Day**"), provided that the first Net Asset Value shall be calculated by the Administrator, under the responsibility of the AIFM, as of the last Business Day of the first full calendar quarter after the First Closing Date. The Net Asset Value with respect to a specific quarter will generally be available around the last Business Day of the third month following the Dealing Date.
Shares	The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) shall issue Shares to Shareholders whose Subscription Agreement has been accepted on each Closing Date as described in section (*First Closing / Subscriptions*) below. The Sub-Fund shall issue Shares in respect of a Shareholder's Subscription Capital Amount, on the First Closing Date, at the Initial Issue Price, and on any subsequent Dealing Date, at the Net Asset Value per Share during the closings to be held during the fundraising period up until and including the Final Closing Date. All Shares of the Sub-Fund will be registered in the Share Register of the Fund. Each Shareholder shall provide the Board of Directors or their delegates with a postal address and email address for the transmission of all notifications and announcements made by the Sub-Fund. To the extent permitted by law, the transmission of notifications and announcements may be made by way of electronic communication.
Share Classes	The Board of Directors shall be authorised to issue one or more Share Classes which may be subject to different terms and conditions, including potentially different fee, currency, dealing, transfer, information disclosure, liquidity arrangements, distribution policies (e.g. accumulating and distributing Share Classes), investor types, or any other criteria to be determined by the Board of Directors. The Sub-Fund expects to offer distributing Share Classes whereby the Sub-Fund expects to make distributions to Shareholders on a periodic basis (the "**Distribution Share Classes**"), and accumulating Share Classes whereby, in lieu of making cash distributions to Shareholders, the Sub-Fund will reinvest any such deemed distributions (the "**Accumulation Share Classes**"). The Sub-Fund also expects to offer certain Share Classes to certain qualifying Shareholders, which may be subject to a reduced Management Fee and/or Profit Share based on criteria such as the timing and/or amount of a Shareholder's subscription, as detailed in Annex I (Share Classes) of this Supplement. It is not expected that all potential Share Classes will be available to investors as of the First Closing Date. Should the Board of Directors decide to issue one or more additional Share Classes in this Sub-Fund, or to change any of their characteristics, this Supplement will be amended accordingly.

	The Sub-Fund currently offers the Share Classes as set out in Annex I (Share Classes) of this Supplement. Class A Shares will be offered to Retail Investors. Class AA Shares are Accumulation Share Classes and Class AD Shares are Distribution Share Classes. Class D Shares are available exclusively to investors introduced through an authorized distribution partner selected by the Board of Directors, who have fulfilled the distributor's investment requirements. Class DR Shares are reserved to Retail Investors and Class DP Shares are reserved to Professional Investors. Class D Shares are offered as a Distribution Share Class. Class F0 Shares will be available to all investors who subscribe for Shares in the Sub-Fund at the First Closing Date and until the date on which the aggregate Subscription Amounts of the Sub-Fund reach USD 50 million (excluding Subscription Amounts relating to Class S and Class W Shares) (the "**Founder Shares Offering**"). F0I Shares and F0ID Shares will be offered to Professional Investors and F0A Shares, and F0AD Shares will be offered to Retail Investors during the Founder Shares Offering. Class F0I Shares and Class F0A Shares are Accumulation Share Classes, and Class F0ID Shares and Class F0AD Shares are Distribution Share Classes. Class F Shares will be available to all investors who subscribe for Shares in the Sub-Fund at the First Closing Date after the Founder Shares Offering and only available until the date on which the aggregate Subscription Amounts of the Sub-Fund reach USD 200 million (excluding Subscription Amounts relating to Class S and Class W Shares); or (iii) such other date as determined by the Board of Directors at its sole discretion (such date, the "**Class F Subscription Termination Date**"). Class FA Shares and Class FI Shares are Accumulation Share Classes and Class FAD and Class FID Shares are Distribution Share Classes. Class I Shares may be offered to Professional Investors and Retail Investors advised by certain professional financial advisors as Accumulation Share Classes or Distribution Share Classes. Class IA Shares are Accumulation Share Classes and Class ID Shares are Distribution Share Classes. Class B Shares will be offered to Retail Investors domiciled in Italy (the "**Italian Investors**"). Class F0B will be available to Italian Investors during the Founder Shares Offering. Class F0BA are Accumulation Share Classes and Class F0BD are Distribution Share Classes. After the Founder Shares Offering, Italian Investors will be offered Class BA Shares as Accumulation Share Class and Class BD Shares as Distribution Share Class. Class S Share Class is a Distribution Share Class exclusively reserved to the Investment Manager. Class W Share Class is a Distribution Share Class exclusively reserved to Morgan Stanley and will be automatically cancelled upon redemption following the First Closing Date as described below section (*Investment Warehousing and Seed Capital*) below.

	The Board of Directors may make available Class A Shares, Class D Shares, Class F Shares, Class F0, Class B and Class I Shares in other currencies as Hedged Share Classes. Distribution Share Classes will pay dividends on a periodic basis or, in certain cases, on a different frequency to be determined by the Board of Directors at its full discretion. Please also refer to column "Type of Share" in Annex I (*Share Classes*) of this Supplement and section (*Distributions*) below. Different Accumulation Share Classes may be issued to accommodate investors needs in effecting the provisions of section (*Distributions*) below. Share Classes which are subject to a Servicing Fee (as defined below), as detailed in Annex I (*Share Classes*) of this Supplement, will be offered by distributors, investment advisers, and/or intermediaries that are duly authorised to perform such activities, but to the exclusion of the intermediaries that are subject to certain regulatory or contractual requirements which prevent them from receiving a Servicing Fee, including: c) financial intermediaries appointed to effect sales of Shares and which, according to applicable regulatory requirements, are not permitted to receive fees, commissions or non-monetary benefits other than from their underlying clients (in the EU this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis); and d) financial intermediaries rendering non-independent advice and which according to individual fee arrangements with their clients are not permitted to receive fees, commissions or non-monetary benefits from third-parties. The Sub-Fund may offer Hedged Share Classes. The Sub-Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions, as well as any gains or losses, will be allocated solely to the Hedged Share Class to which the hedging relates. Within a Share Class, the Board of Directors (or its delegate) may determine that Shares will be issued in successive Series differentiated by their respective issue date, each Series having a specific denomination, identification number and/or code, such as for, but not limited to, the computation of distributions as further described under section (*Distributions*) below. The Board of Directors may, at their discretion and subject to applicable law and the Articles of Association, consolidate multiple Series of Shares into a single Series or Class. Such consolidation shall occur at the prevailing Net Asset Value per Share for each Series, ensuring fair treatment of all Shareholders. All investors within the same Share Class shall benefit of the same rights and no preferential treatment or specific economic benefit may be granted to individual investors or group of investors within the relevant Class or Classes of Shares.
Type of Shares	Registered Shares only.

Subscription Amounts	The subscription amount (a "**Subscription Amount**") in respect of the relevant Share Class is subject to the minimum set out in Annex I (Share Classes) of this Supplement for Shareholders including Intermediaries and Underlying Investors, although the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) may accept Subscription Amounts of lesser amounts in its absolute discretion, provided that Shareholders are treated fairly.
First Closing / Subscriptions	The Sub-Fund is a fully funded Sub-Fund in the meaning that 100% of the Total Subscription Amount must be paid to the Sub-Fund on or before the Subscription Settlement Date in the relevant subscription currency. All subscription orders must be expressed in a cash amount in the subscription currency of the relevant Share Class. The first closing of the Sub-Fund (the "**First Closing**"), i.e. once an Eligible Investor is accepted as Shareholder in the Sub-Fund, shall occur on a date as reasonably determined by the Board of Directors in their discretion (the "**First Closing Date**"). The Sub-Fund shall allow quarterly subscription requests for Shares to be made which, if accepted, shall be issued at Net Asset Value as of the last Business Day of each calendar quarter which is also a Valuation Day (the "**Dealing Date**") up until the Final Closing Date. The number of Shares allocated to each investor will be determined by dividing the cash amount of the subscription (after deduction of any applicable Subscription Fee) by the finalized Net Asset Value per Share, generally around the last Business Day of the third month after the Dealing Date, or, where such Net Asset Value is unavailable, by the most recently available Net Asset Value. Unless waived by the Board of Directors, subscription requests in respect of a given Dealing Date must be received by 1pm Central European Time, at least 10 Business Days prior to the Dealing Date for any initial subscription and at least 5 Business Days prior to the Dealing Date for any subsequent subscription. Different cut-off times may apply for trade instructions submitted by Shareholders in different time zones. Shareholders should refer to the local sales documents for their jurisdiction to find out which cut-off time is applicable to them. To be accepted, a subscription request must be made with a completed and executed Subscription Agreement in good order, including (a) satisfying any additional requirements imposed by the Global Distributor or Sub-Distributor, as applicable, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Fund or its agent or service providers and (c) payment of the Subscription Capital Amount on or before the Subscription Settlement Date, it being understood that a subscription request partially deferred to one or more later Dealing Dates in accordance with the next paragraph, will need to be paid in instalments as instructed by the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors). If a subscription request is rejected for not complying with the preceding conditions (including the settlement of the full purchase price where applicable), the prospective Shareholder shall be notified of such rejection and will be required to submit a new subscription request for the next Dealing Date. Applications and trade instructions received after the cut-off time for a particular Dealing Date will be rejected and applicants will be required to re-send their trade instruction upon notification of the next Dealing Date, unless the Board of Directors agrees to accept such trade instructions, provided that it is in the interest of the Sub-Fund and that Shareholders are fairly treated.

	The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) has the discretion to accept or reject subscription requests in full or in part, and in particular may determine in the best interests of Shareholders that part or all of a subscription request should be deferred to one or more later Dealing Dates. The Board of Directors also has the discretion to declare additional or more frequent Dealing Dates. If accepted, the purchase price per Share will be equal to the Net Asset Value per Share for such Share Class as of the relevant Dealing Date. During the interim period between the Subscription Settlement Date and the formal issuance of Shares (following the finalization of the Net Asset Value for the relevant Dealing Date), the Sub-Fund may utilize subscription funds in particular to deploy them into Portfolio Investments and UCITS Eligible Assets. The issue of Shares of a Share Class may be suspended at the discretion of the Board of Directors, in the best interests of the Sub-Fund, notably in exceptional circumstances described in Section 7.3 of the Prospectus. Unless otherwise set out in the relevant Subscription Agreement, payments of the Subscription Capital Amount must be made in the pricing currency of the Share Class and must be received by the Sub-Fund's Administrator on or before the Subscription Settlement Date. Cleared funds equal to the full amount of the Subscription Capital Amount must be received by the Sub-Fund on or before the Subscription Settlement Date. Any amounts received prior to the Subscription Settlement Date will be subject to currency fluctuations until they are converted on the Subscription Settlement Date. Transfer of funds should be made by wire, transfer or swift, net of all banking charges or by such other method of electronic transfer as may be agreed by the Board of Directors. The requested Subscription Capital Amount may be reduced by taxes and stamp duties to be paid in the countries where the Shares are offered. No interest will be paid to Shareholders on Subscription Capital Amounts and, in the event that interest is charged on the Subscription Capital Amounts prior to the Settlement Date including, without limitation, as a result of negative interest rates during any such period, investors will be liable for such interest charges and will be invoiced separately in respect thereof (and any such interest may therefore reduce the Subscription Capital Amount to the extent it is not paid in addition to the requested Subscription Capital Amount). If the payment of the Subscription Capital Amount has not been received by the end of the Subscription Settlement Date, any subscriptions for Shares may be rejected or, if the subscription had previously been accepted by the Sub-Fund, any allocation of Shares made on the basis of such subscription may be cancelled by a compulsory redemption of the Shares at the Net Asset Value. The Administrator will inform the applicant that the subscription has been rejected or the subscription cancelled, as applicable, and the money received after the Subscription Settlement Date, if any, will be returned to the applicant at its risk and cost, without interest. The Sub-Fund reserves the right to require indemnification from an applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription

	Capital Amount by the end of the Subscription Settlement Date. The Sub-Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the Shareholder's other Shares, if any, in order to pay for such losses, costs or expenses.
Cooling-off period	During the period commencing on the relevant Subscription Cut-Off Date and ending on the date two weeks later, any Retail Investor requesting to subscribe in the Sub-Fund may, by written notice to the Sub-Fund, cancel his or her subscription without penalty, without prejudice to any similar cooling-off right in respect of the same subscription applied by a distributor.
Investment Warehousing and Seed Capital	Prior to the First Closing Date, Morgan Stanley may, and is expected to, subscribe for special Class W Shares issued by the Sub-Fund for purposes of acquiring the initial Portfolio Investments. Following the receipt of Subscription Amounts from Shareholders (or at any other appropriate time as determined by the Board of Directors in its discretion), Morgan Stanley will be compulsorily redeemed for the entirety of its special Class W Shares, upon which the Sub-Fund would be expected to pay a redemption price in an amount equal to the Net Asset Value of the Class W Shares calculated as at First Closing. The Investment Manager may (in consultation with the AIFM) appoint the Board of Directors (comprised of individuals, a majority of whom will be independent of Morgan Stanley) or one or more other persons (or committee of persons) who are not affiliated with Morgan Stanley (any such person or committee, including the Board of Directors, an "**Independent Person**") to review and approve or disapprove, at the request of the Investment Manager and on behalf of all Shareholders, certain matters in connection with the foregoing (including the redemption price) that require consent under the Advisers Act or other applicable law, and to review and approve or disapprove any other matters presented to them, including certain transactions, measures and other matters arising in connection with actual and/or potential conflicts of interest. Any such approval will be binding upon the Sub-Fund and all the Shareholders. By executing the Subscription Agreement, each Shareholder will consent to the appointment of the Independent Persons to approve, on behalf of all Shareholders, any conflicts and/or transactions requiring approval under applicable laws including section 206(3) of the Advisers Act.
End of Life and Wind-down Period	The end of life of the Sub-Fund is the start of the winding down period that begins when the Life of the Sub-Fund ends or at such earlier date as decided by the Board of Directors in consultation with the Investment Manager and the AIFM, leading to the final liquidation of assets (the "**End of Life**"). The End of Life will occur at the expiration of the Life of the Sub-Fund, subject to the provisions of Article 17 of the ELTIF Regulation and unless the Board of Directors decides, in its discretion and upon consultation with the Investment Manager and the AIFM, to wind down the Sub-Fund prior to the expiration of the Life of the Sub-Fund.

	Following the End of Life, the Sub-Fund shall not make any new investments. The wind-down period will start following the End of Life date and it is defined as the period during which the Sub-Fund will not reinvest Investment Proceeds received from the realisation of assets via repayment, prepayment, cancellation, sale or by any other means, except in UCITS Eligible Assets (the "**Wind-down Period**"). The Wind-down Period is generally expected to take between 24 and 36 months; however, the actual duration may vary depending on market conditions, the illiquid nature of certain assets, or other factors that could affect the timeline. During the Wind-down Period, the Sub-Fund's remaining assets shall be orderly disposed which is generally expected to take several years due to the potentially illiquid nature of the investments or other challenges. An itemised schedule for the orderly disposal of the Sub-Fund's remaining assets shall be adopted at the latest one year prior to the End of Life, in accordance with article 21 of the ELTIF Regulation. Note that assets of the Sub-Fund may be disposed of prior to the start of the Wind-down Period. Upon completion of the Wind-down Period the Sub-Fund will be terminated.
Redemptions	Shareholders may not request redemption of their Shares prior to End of Life. From the day following the date of the End of Life of the Sub-Fund onwards, it is contemplated that the Board of Directors will initiate a compulsory redemption process in respect of all Shareholders in order to redeem all their Shares in the same manner and at the respective Net Asset Value of each Share Class. For this purpose, the Board of Directors shall duly notify the Shareholders of the compulsory redemption of all Shares in the Sub-Fund (the "**Redemption Notification**") on or about the date of the End of Life. As from the effective date indicated in the Redemption Notification, the Board of Directors will proceed with the compulsory redemption of the Shares (the "**Redemption**") in the currency of the subscription. The Redemption Notification shall set out the Redemption Settlement Period and information regarding the expected timing and frequency of the Redemption. Redemptions in kind are not permitted. Redemptions at the election of the Board of Directors may be made at any time, as further described below. Note that voting rights are represented by the number of Shares held by a Shareholder. In the event of a redemption of Shares, the voting rights of a Shareholder will therefore be reduced.
Compulsory Redemptions	The Board of Directors, in consultation with the AIFM and the Investment Manager, shall have the power to compulsorily redeem (in whole or in part) the Shares of any Shareholder if the Board of Directors, the AIFM or the Investment Manager determine that the continued participation of a Shareholder is likely to, among other things, (i) require registration of the Shares under any securities laws applicable to the Sub-Fund or the Shares to be redeemed, (ii) cause the Sub-Fund to fail to qualify for an exemption from regulation, or otherwise to be required to be registered as an investment company

	under the Investment Company Act, (iii) result in the assets of the Sub-Fund being treated as "plan assets" subject to Title I or ERISA or Section 4975 of the Code (or any similar law or regulation), (iv) result in any other material adverse tax, regulatory or other consequences to any Shareholder or the Sub-Fund, (v) result in any violation of other applicable laws or regulations, including ERISA, or (vi) result in any material adverse consequence to the Sub-Fund's investment activities. Additionally, the Board of Directors, in coordination with the AIFM and the Investment Manager, may exclude or remove a Shareholder from a particular investment for any of the reasons described in each of cases (iv) through (vi) above through a partial redemption and/or conversion of such Shareholder's Shares. In addition, the Board of Directors will cooperate with the AIFM and/or the Investment Manager to provide notice to a Shareholder compulsorily redeeming the Shares of such Shareholder in the Sub-Fund for "cause" if (i) there is any material breach of such Shareholder's representations, warranties or covenants herein or in the Prospectus, in the Subscription Agreement or related documents executed by such Shareholder (including any obligation to make a payment or a return of capital); (ii) the Shareholder or any beneficial owner of the Shareholder (x) engages in illegal conduct or gross misconduct which the Board of Directors determines could result in reputational harm to the Fund or the Sub-Fund, Morgan Stanley or its Affiliates, (y) is convicted of, or pleads *nolo contendere* to, a felony or a serious misdemeanour or (z) illegally or fraudulently obtains the funds with which such Shareholder seeks to invest; (iii) there is any breach of such Shareholder's obligation to keep information confidential in accordance with the Prospectus and the relevant Subscription Agreement; or (iv) any purported transfer of Shares by a Shareholder is not in compliance with the Prospectus, as determined by the Board of Directors. The Board of Directors will cooperate with the AIFM and/or the Investment Manager to compulsorily redeem (in whole or in part) the Shares held by, on behalf or for the account or benefit of Shareholders who do not meet the requirements for the Eligible Investors, as set forth below. To that end, the Sub-Fund will notify the Shareholder of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Valuation Day on which the compulsory redemption will occur. Without prejudice to the provisions of the general part of the Prospectus, any Shareholder notified of a compulsory redemption in accordance with the preceding paragraphs will be considered as a Prohibited Person. Notwithstanding the terms of section (*Redemptions*) above, the redemption price for any compulsory redemption in accordance with the preceding paragraphs or the general part of the Prospectus will be equal to the Net Asset Value of the relevant Shares, less a discount of up to twenty percent (20%) in the case of a Shareholder who is found to be a Prohibited Person or if a transfer of the Shares has been made in breach of the Articles of Association or the Prospectus; in each case, to be determined by the Board of Directors in its reasonable discretion in consideration of the damages caused or reasonably likely to be caused to the Sub-Fund and/or the other Shareholders therein, and after deduction of costs and expenses incurred by the Sub-Fund as a result of the redemption. Such redemption price will be payable at the discretion of the Board of Directors, in one or several instalments at the time where payments are made to the

	remaining Shareholders but in any event no later than at the close of the Wind-down Period. Any Shareholder may inform the Fund that it is subject to regulation under the U.S. Bank Holding Company Act of 1956, as amended (the "**BHCA**," and such Shareholder, a "**BHC Investor**"), and agree that the Sub-Fund will compulsorily redeem the portion of its Shares in excess of 24.99% of the total number of Shares issued by the Sub-Fund if, in the opinion of counsel reasonably satisfactory to the Board of Directors, the continued holding by such BHC Investor of such portion would give rise to a violation of the BHCA or the regulations promulgated thereunder. Compulsory redemptions carried out under the conditions laid out in this section (*Compulsory Redemptions*) shall prevail over redemptions carried out under normal circumstances in accordance with section (*Redemptions*) above.
Transferability of Shares	Transfers will be subject to certain conditions set forth in the Articles of Association and the Prospectus. A Shareholder may sell, assign, encumber, mortgage or transfer its Share(s) in the Sub-Fund, directly or indirectly, only to Eligible Investors, subject to the determination by the Board of Directors (or any person to whom such powers have been delegated by the Board of Directors) that the conditions for transfers of Shares as set out in the Articles of Association and the Prospectus are satisfied. The Sub-Fund does not offer any matching mechanism in accordance with article 19(2a) of the ELTIF Regulation.
Borrowing	The Sub-Fund may, either directly or indirectly through the Intermediate Vehicle, borrow and enter into a multi-currency credit facility or other financing transactions or otherwise incur leverage for the purpose of investing in Eligible Investment Assets as permitted by the ELTIF Regulation and provided that such borrowings: (i) do not represent more than 50% of the Net Asset Value of the Sub-Fund; (ii) are in the same currency as the assets to be acquired, or in another currency where currency exposure has been appropriately hedged; and (iii) have a maturity no longer than the Life of the Sub-Fund. When borrowing cash, the Sub-Fund may encumber its assets to implement its borrowing strategy. The borrowing limits referred to above shall only apply from the date that is the earlier of (i) the end of the Ramp-up Period; and (ii) three (3) years from the date of commencement of the marketing of the Sub-Fund. Such borrowing limits shall be temporarily suspended where the Sub-Fund raises additional capital or reduces its existing capital. Such suspension shall be limited in time to the period that is strictly necessary taking due account of the interests of the investors in the Sub-Fund and, in any case, shall last no longer than 12 months. Within the limits referred to above, the Sub-Fund may in particular borrow money on a short-term basis for up to 364 calendar days, including: (a) in connection with the acquisition of Portfolio Investments; and (b) to cover any short-term cash flow deficit of the Sub-Fund or to meet any obligation of the Sub-Fund. The Sub-Fund may also enter into guarantees, indemnities, covenants and undertakings in connection with investments made by the Sub-Fund. The Sub-Fund may secure any

	such borrowings, guarantees, indemnities, covenants and undertakings by mortgage, charge, pledge or assignment of or security interest in the Sub-Fund's assets in accordance with article 16 of the ELTIF Regulation.
AIFMD Leverage	The AIFMD requires the AIFM to disclose and report regularly on the level of leverage used by the Sub-Fund. In accordance with its risk management function and the investment objectives of the Sub-Fund, the AIFM has set a maximum level of leverage which the AIFM and its delegates may employ on behalf of the Sub-Fund. For the avoidance of doubt, this maximum level of leverage does not include leverage at the level of the Sub-Fund's investments. The AIFM has determined that leverage employed on behalf of the Sub-Fund will not exceed 300% of the Net Asset Value of the Sub-Fund based on both the gross and commitment methods (expressed as a percentage and determined under articles 7 and 8 of AIFMR). This limit applies except to the extent that leverage results from borrowings under revolving credit facilities on a short-term basis to make investments pending the settlement of (and covered by) Shareholder subscriptions, which may, due to their impact on the calculation of leverage under AIFMR, be unlimited. This maximum leverage applies until the earlier of (i) the end of the Ramp-up Period or (ii) three (3) years from the date of commencement of the marketing of the Sub-Fund. Thereafter, the maximum leverage employed on behalf of the Sub-Fund will remain at 150% of the Net Asset Value of the Sub-Fund, subject to the same methods of calculation and exceptions outlined above. Such limits should not be viewed as indicative of the amount of leverage that will be employed on behalf of the Sub-Fund or as a target for the Sub-Fund, and it is likely that Sub-Fund-level leverage, if any, will be lower in practice. Shareholders should note that in exceptional circumstances, the CBI may impose limits on the level of leverage that the AIFM is entitled to employ or other restrictions on the management of the AIFM with respect to the Sub-Fund. Shareholders should note that the level of leverage determined under articles 7 and 8 of the AIFMR does not necessarily provide any reasonable illustration of the overall risk profile of the Sub-Fund as financial derivative instruments or borrowing of cash or securities can be used to manage risk as well as to seek a return.
Hedging	The Sub-Fund may hedge its exposure to currency risk due to investments being denominated in currencies other than the USD. Additionally, the Sub-Fund may hedge currency risks at the level of share classes issued in currencies other than USD. However, Shareholders should note that the Sub-Fund is under no obligation whatsoever to engage in such hedging arrangements. The Sub-Fund may purchase and sell foreign currencies in conjunction with the purchase or sale of underlying investments as part of its hedging strategy. The Sub-Fund's foreign currency transactions may be conducted on a spot basis to satisfy settlement of investments. The Sub-Fund may also enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Sub-Fund may enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis. The Sub-Fund may also use certain active currency, credit and interest rate management techniques related to the currency, credit and interest rate risks associated with the investments held by it for hedging purposes.

Derivatives and Securities Financing Transactions	The Sub-Fund will not enter into any securities financing transactions and total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012. The Sub-Fund may use forward contracts and currency swaps in implementing hedging transactions referred to above or in respect of currency hedged Share Classes. The Sub-Fund shall undertake not to use financial derivative instruments, except where the use of such instruments solely serves the purpose of hedging the risks inherent to other investments of the Sub-Fund, as further described above.
Underlying Investors	Investments in the Sub-Fund may be made (i) directly or (ii) by appointing an Intermediary to hold Shares on behalf of Underlying Investors, in accordance with and subject to the terms of the general part of the Prospectus. If and to the extent agreed with an Intermediary and depending on the terms of the contractual arrangements in place with such Intermediaries, any reference in the Prospectus and this Supplement to “Shareholders” shall be read as a reference to the relevant Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on a Shareholder will be, in respect of the relevant Intermediary, applied to the relevant pro-rata portion of the relevant Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus. Likewise, voting rights will be exercised by Intermediaries through, depending on the terms of the relevant intermediary arrangement with each Underlying Investor, either a split vote following voting instructions from each Underlying Investor or exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor. In addition, each participation by an Intermediary on account of any single Underlying Investor may be treated as a separate participation from that Intermediary's other participations, in accordance with and subject to the terms of the general part of the Prospectus and the Articles of Association. Where the Global Distributor or any Sub-Distributor holds Shares in its own, or an Intermediary’s, name for and on behalf of Shareholders it will act as Intermediary in respect of such Shares. Shareholders are advised to inform themselves of, and when appropriate consult with their Intermediary regarding, the rights that they have in respect of Shares held through the relevant Intermediary service. In particular, investors should ensure that their arrangements with such Intermediaries deal with information being given regarding corporate actions and notifications arising in respect of the Shares, as the Sub-Fund is only obliged to deliver notice to parties inscribed as a Shareholder in the Share Register and can have no obligation to any third party.
Eligible Investors	The Shares in the Sub-Fund will be offered or sold only to, and Shares can only be acquired by, Eligible Investors as defined in the general part of the Prospectus and below,

	and may under no circumstances be beneficially or legally held or owned by any person, who is not an Eligible Investor. For the purposes of this Supplement, "**Eligible Investors**" shall mean: (iv) EEA investors that qualify or may be treated as professional clients within the meaning of Annex II to MiFID II, or EEA investors who are otherwise eligible for marketing of the Shares in accordance with the national laws of their home Member State (the "**Professional Investors**"); (v) EEA investors who are not Professional Investors, and where an assessment of suitability has been carried out within the meaning of article 30 of the ELTIF Regulation or where such assessment does not apply pursuant to article 30 (3) of the ELTIF Regulation, in case of a member of senior staff, or a portfolio manager, director, officer, or an agent or employee of the AIFM or any of its affiliates, and has sufficient knowledge about the Sub-Fund (the "**Retail Investors**"); (vi) UK investors that qualify or may be treated as professional clients within the meaning of Article 2(1)(8) of Regulation (EU) 600/2014 on markets in financial instruments (as retained in UK law), or UK investors who are otherwise eligible for marketing of the Shares in accordance with UK law; and (vii) non-EEA and non-UK investors to whom Shares may be lawfully marketed. Shares in the Sub-Fund will be marketed and made available to all Eligible Investors, subject to and in accordance with any applicable legal and regulatory restrictions and, other than as described in this Supplement, no further substantive criteria are intended to apply which would limit or deter Eligible Investors from investing in the Sub-Fund. If the Board of Directors determines that a Shareholder is no longer an Eligible Investor or if a Shareholder is in breach of its obligations, representations or warranties to the Sub-Fund, or fails to make such representations or warranties or fails to deliver information (for example as required under FATCA or similar law) as the Board of Directors or the AIFM or its delegates may require, the Board of Directors may (i) require/cause such Shareholder to sell all or some of its Shares in accordance with the Articles of Association, or (ii) redeem such Shareholder's Shares in accordance with the Articles of Association and section (*Compulsory Redemptions*) above.
Communication and announcements to the Shareholders	To the extent permitted by the 1915 Law or any other Luxembourg laws or regulations, an electronic secure platform or other means of electronic communication, in particular emails, may be used for the transmission of all notifications and announcements of the Board of Directors, the Fund, the AIFM and the Investment Manager, such as, for instance information notices, financial reports and corporate information.
Conversion of Shares	No conversion of Shares between the different Share Classes of the Sub-Fund or Sub-Funds shall be permitted except as permitted by the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors).
Distributions	Capital subscribed but not yet deployed in Portfolio Investments will be temporarily invested in UCITS Eligible Assets as described above. Subject to compliance with Section 8 of the general part of the Prospectus, proceeds generated by such UCITS

	Eligible Assets shall be allocated *pro rata* among Shareholders, and, subject to section (*Reinvestment*) above, either distributed as cash from time to time at the discretion of the Board of Directors (or its delegate) (for Distribution Share Classes) or reinvested (for Distribution Share Classes or Accumulation Share Classes). After full deployment of the Capital subscribed and the expiration of the reinvestment program, deemed distributions allocated to the Accumulation Share Classes pursuant to the waterfall described below, may be temporarily invested in UCITS Eligible Assets. Net proceeds attributable to such UCITS Eligible Assets will be exclusively allocated to Accumulation Share Classes. Following the initial allocation described above, the remaining net proceeds generated by Portfolio Investments will be subject to the following allocation and distribution policy. Except as described under section (*Reinvestment*) above, net proceeds attributable to the disposition of a Portfolio Investment, distributions in kind of securities and any current income received with respect to a Portfolio Investment will generally be allocated *pro rata* among the Series of Shares based on their aggregate Subscription Capital Amount and distributed or accrued to all Shareholders within each Series *pro rata* to their respective shareholdings, subject to the terms of their respective Share Classes. The distribution waterfall outlined below shall apply separately to each Series of Shares, with proceeds attributable to each Series allocated and distributed in accordance with the provisions set out below as if each Series were an independent pool of capital. For the purposes hereof, proceeds attributable to Portfolio Investments include, without limitation, sales proceeds, proceeds attributable to hedging transactions (including foreign exchange hedging), proceeds of borrowing, derivative instruments and leveraged recapitalizations, dividends, distributions and other amounts realized from a Portfolio Investment. Each Shareholder's share of any proceeds generally will be distributed in the following order of priority: (a) *Return of Capital*: First, 100% to such Shareholder until the cumulative distributions made or accrued to such Shareholder equal such Shareholder's Subscription Capital Amount; (b) *Preferred Return*: Second, 100% to such Shareholder until the cumulative distributions made or accrued to such Shareholder equal a preferred return on the amounts included in clause (a) above at the rate of 8% per annum, compounded annually (the "**Preferred Return**"); (c) *Catch-Up*: Third, 100% to the Investment Manager until the Investment Manager has received the Applicable Profit Share Rate of the sum of the distributions made or accrued to such Shareholder (pursuant to clause (b) above) and to the Investment Manager with respect to such Shareholder pursuant to this clause (c); and (d) *87.5/12.5 Split*: Thereafter, the Applicable Profit Share Rate to the Investment Manager and the remainder, i.e. 100% minus the Applicable Profit Share Rate to each Shareholder (the distributions to the Investment Manager described in clause (c) above and in this clause (d) being referred to collectively as the Investment Manager's "**Profit Share**"). The Investment Manager will, if proceeds allow, receive distributions of Profit Share from the Intermediate Vehicle, in which case the portion of Profit Share to be deducted from

	Investment Proceeds and which is applicable to each Shareholder's proportion of such proceeds shall be deducted indirectly at the level of the Intermediate Vehicle, rather than directly at the level of the Sub-Fund. The Investment Manager may also receive distributions from the Intermediate Vehicle prior to any entitlement arising under (b) and (c) in the above in respect of each taxable year in order to enable the Investment Manager to pay any taxes in respect of taxable income allocated to it by the Sub-Fund. The amount of such tax distributions will be based on certain assumptions and a hypothetical tax rate and will be treated as an advance of Profit Share. Such tax distributions to the Investment Manager may be funded by way of borrowings or cash reserves of the Sub-Fund otherwise distributable to Shareholders. For purposes of this distribution waterfall, distributions "made or accrued" shall mean (i) actual cash distributions paid to holders of Distribution Share Classes and (ii) proceeds allocated to holders of Accumulation Share Classes, whether distributed as cash or reinvested into the Net Asset Value. Reinvested proceeds for Accumulation Share Classes will be treated as though they were distributed in cash for the purposes of calculating Preferred Return and Profit Share allocations. All amounts distributed to Shareholders shall be paid in the currency of their original subscription (if applicable). When making distributions, as necessary to give effect to the foregoing provisions in respect of each Shareholder, the Board of Directors may elect in their discretion to make *pro rata* distributions in respect of the Shares, make capital reductions in respect of the Shares, issue additional Shares (in lieu of cash distributions) and/or make partial or full redemptions of Shares or take such other action as permitted by applicable law and the Articles of Association.
Distributions in kind	The Sub-Fund will generally make distributions to Shareholders in cash however, from time to time when the Investment Manager so determines, the Sub-Fund may make distributions of securities to Shareholders in kind, provided that no specific rules restrict the transfer of those assets, subject to the ELTIF Regulation and other applicable laws and regulations and in accordance with the conditions set out in the Prospectus. In the event that an in kind distribution is made, the relevant assets shall be deemed to have been sold at their fair value as determined by the AIFM in accordance with the Valuation Policy and confirmed by the Auditor, and the proceeds of such sale shall be deemed to have been distributed in the form of distributable cash to the Shareholders. Distributions in kind shall be made in proportion to the aggregate amounts that would be distributed to each Shareholder as determined by the AIFM. For the avoidance of doubt, the Shareholders must specifically request in writing the distribution in kind and may always request a cash payment instead. Any costs incurred in connection with a distribution in kind may be borne by the Shareholders receiving such distribution in kind or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.
Co-Investment	The Investment Manager may, but will be under no obligation to, in its discretion allocate co-investment opportunities to strategic and other investors, lenders, one or more

	Shareholders and/or Affiliates of the Investment Manager, subject to the provisions of the ELTIF Regulation. Co-investment opportunities may be made available through limited partnerships or other entities formed to make such investments. Co-investment opportunities may be offered where the Investment Manager determines that the size or risk of an Investment is either prohibited by the Prospectus or is not in the Sub-Fund's best interest. In addition, the Investment Manager may form one or more co-investment vehicles to permit employees and certain other designees of Morgan Stanley to invest side-by-side in one or more investments made by the Sub-Fund. The terms of co-investments may differ from those of the Sub-Fund, including with respect to the payment of an incentive fee or incentive allocation and/or management fee; however, each investment in a portfolio company by a Morgan Stanley co-investment vehicle generally will be on economic terms at the level of the investment no more favourable than those received by the Sub-Fund. No Shareholder shall have a right to any such co-investment opportunities that may be made available, and any co-investment opportunity will be provided to Shareholders at the Investment Manager's discretion (on such terms and conditions that the Investment Manager and the Shareholders participating therein agree).
Allocation of Investment Opportunities	The Investment Manager will allocate investment opportunities among the Sub-Fund, Morgan Stanley, and Morgan Stanley's clients, as applicable, as the Investment Manager determines in its discretion in a manner consistent with the Investment Manager's and its Affiliates' internal policies (as in effect from time to time). Certain investment opportunities may be appropriate for some or all of the Sub-Fund, Morgan Stanley, other investment vehicles or other investment accounts managed by Morgan Stanley and/or Morgan Stanley's clients (collectively, "**Morgan Stanley Related Persons**"). Please see Annex II (*Risk Factors and Potential Conflicts of Interest—Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses*) to this Supplement for further details as to the applicable allocation processes and procedures in respect of the Sub-Fund and the inherent conflicts of interest in connection with such procedures.
Valuation Methodology	The Net Asset Value is calculated as of the end of each calendar quarter (the "**Valuation Day**"). The Portfolio Investments of the Sub-Fund will be valued at fair value as determined by the AIFM (in consultation with the Investment Manager) in accordance with the AIFM's valuation policies and procedures for the Sub-Fund (the "**Valuation Policy**"). . Portfolio Investments in pooled investment vehicles generally will be valued at an amount equal to the Sub-Fund's pro rata interest in the net assets of the pooled investment vehicles, as provided by applicable pooled investment vehicles' managers or administrators. Co-Investments generally will be valued by the AIFM at fair value, utilizing information provided by the relevant pooled investment vehicles' manager or other sponsoring manager. Where no fair value for a Portfolio Investment is readily available from a pooled investment vehicles' manager (or other sponsoring manager in the case of certain co-investments), or where a value supplied for a Portfolio Investment by a pooled investment vehicles' manager (or other sponsoring manager in the case of certain co-investments) is deemed by the AIFM not to be indicative of its fair value, or in certain other circumstances, the AIFM will determine, in good faith and in consultation with the Investment Manager, the fair value of the Portfolio Investment under procedures adopted by the AIFM. The AIFM, in consultation with the Investment Manager, is authorised to

	apply other appropriate valuation principles in order to reflect better the probable realisation value if the aforesaid valuation methods appear inappropriate due to extenuating circumstances or events. Any adjustments to valuations will incorporate estimates of the market impact of specific events as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time. The UCITS Eligible Assets will be valued in accordance with the Valuation Policy and the general valuation provisions of section 7.2 (*Valuation Procedure*) of the Prospectus.
Reporting	After the end of each financial year, Shareholders will be provided, within six (6) months of year-end, with an audited Annual Report in the Reference Currency, prepared in accordance with Luxembourg generally accepted accounting principles. Shareholders will also be provided with unaudited financial statements on a semi-annual basis within three (3) months of the end of the period to which they refer. The Sub-Fund will also provide the relevant reporting as set out in the Prospectus and as required by AIFMD and other applicable laws and regulations. In compliance with section 12.5 (*Documents and Information Available*) of the Prospectus, Retail Investors may obtain a paper copy of the Annual Report upon request and free of charge.
Costs of setting up the Sub-Fund	The Sub-Fund will pay or bear all payments, fees, costs, expenses and other liabilities or obligations incurred in connection with its formation and organisation, including non-amortised costs of setting-up of the Fund as per section 9 (*Fees and Expenses*) of the Prospectus, and with the offering and sale of Shares to investors, including its apportioned amount of such payments, fees, costs, expenses and other liabilities or obligations incurred and not yet amortised at the level of the Fund ("**Organizational Expenses**"). The Organizational Expenses will be paid by the Sub-Fund upon the First Closing Date and subject to, and in accordance with, Luxembourg GAAP as applicable from time to time, amortised over five (5) years. Organizational Expenses include all legal and other expenses incurred in the formation and organization of the Sub-Fund, as well as the offering of the Shares, including, without limitation, those relating to the preparation of this Supplement, and all out-of-pocket legal, accounting and initial and periodic registration and filing fees (including initial and periodic registration fees related to the use of the AIFMD marketing passport and authorization of the Sub-Fund to operate as an ELTIF) and expenses and all costs incurred in connection with the preparation of any regulatory filings and/or other documentation (including agreements with service providers) in connection with the set-up of the Sub-Fund, but excluding any one-time placement or similar fees received by affiliates of Morgan Stanley with regards to any client of such person introduced to the Sub-Fund by such person. For the avoidance of doubt, Organizational Expenses will include such expenses of any Intermediate Vehicle and any entity through which the Sub-Fund directly or indirectly invests its assets, but will not include costs and expenses of vehicles formed in

	connection with the structuring, making or holding Portfolio Investments, which will be Fund Expenses.
Costs related to the acquisition of assets	The Sub-Fund will pay the up-front part of all of its costs and expenses associated with the acquisition, holding, enforcing and disposing of its investments, including extraordinary expenses such as litigation.
The management and performance related fees	The Fund will pay to the AIFM annual fees (exclusive of any value added tax or similar tax payable) out of the assets of the Sub-Fund as compensation for its management services (the "**AIFM Fee**"), equal to no more than 0.03% of the Net Asset Value of the Sub-Fund, subject to a minimum charge of EUR 50,000 per annum in respect of the Sub-Fund, as further described in the AIFM Agreement. The AIFM Fee shall be accrued and paid monthly in arrears, with effect from the date of the First Closing Date. For the avoidance of doubt, such fees payable by the Sub-Fund to the AIFM will not be payable out of the Management Fee and will be borne separately by the Sub-Fund. Except as provided for in relation to a particular class of Shares, Shareholders holding Shares shall bear a management fee in respect of the relevant Share Class (the "**Management Fee**") which shall be calculated and payable in quarterly instalments in arrears for all periods commencing on the First Closing (or such later date as may be specified in writing by the Investment Manager), and any payment for a period of less than three months will be adjusted on a pro rata basis according to the actual number of days during the period. The AIFM will be entitled to receive the Management Fee from the Sub-Fund and will further share part or the entirety thereof with the Investment Manager, as compensation for its management services. The Management Fee is described in Annex I (*Share Classes*) of this Supplement and will be calculated with reference to the capital invested in Eligible Investments, excluding any cash or capital invested in UCITS Eligible Assets, as of the beginning of the first calendar day of the applicable quarter. No Management Fee shall be payable by Class S and Class W Shareholders. UCITS Eligible Assets are expected to carry a total expense ratio of up to 0.20%p.a.. These fees are indirectly incurred by the Sub-Fund and are reflected in the net performance of the UCITS Eligible Assets. **All fees referenced in this Supplement are exclusive of any applicable tax unless otherwise stated.**
Distribution Costs	The Global Distributor and/or any Sub-Distributor may be paid a servicing fee applicable to the relevant Share Class (the "**Servicing Fee**") for an amount up to the rate disclosed in Annex I (*Share Classes*) of this Supplement per annum calculated on the Net Asset Value of the Shareholder's Shares. The Servicing Fee (if any) is additional to the Management Fee and the AIFM Fee. The Servicing Fee may vary among distributors. The Global Distributor or any Sub-Distributor may also separately charge the Shareholder an upfront Subscription Fee

	outside of the Sub-Fund. In addition, certain Sub-Distributors may charge the Sub-Fund a platform distribution and advisory fee in consideration of any platform distribution and advisory services provided to the Sub-Fund. Such fee shall be borne by the Sub-Fund as a Fund Expense unless the Investment Manager determines otherwise.
Other Costs	**Fees for the Depositary** The Depositary is entitled to receive out of the assets of the Sub-Fund a depositary fee as set out in the Depositary Agreement, which fee shall be at normal commercial rates and is not expected to exceed 0.02% of NAV of the Sub-Fund. The Depositary fee shall be disclosed in the financial statements of the Sub-Fund. **Fees for the Administrator** The Administrator is entitled to receive out of the assets of the Sub-Fund an administration fee as set out in the Administration Agreement, which fee shall be at normal commercial rates and is not expected to exceed 0.05% of NAV of the Sub-Fund. The administration fee shall be disclosed in the financial statements of the Sub-Fund. **Fund Expenses** As described in section 9 (*Fees and Expenses*) of the Prospectus and further set out below, the Board of Directors will charge to the Sub-Fund out of the assets of the Sub-Fund, all expenses, liabilities and costs incurred by the Board of Directors or third parties in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund or its subsidiaries. The Sub-Fund generally will bear any direct or indirect "Operating Expenses" (as defined in section 9.8 (*Operating Expenses*) of the Prospectus) which are attributable to the Sub-Fund in accordance with section (*Investment Expense Allocation*) below and which form part of the Fund Expenses. The Sub-Fund will bear all costs, expenses and liabilities that in the good faith judgment of the Board of Directors are incurred by or arise out of the operation and activities of the Fund (together with the Sub-Funds portion of the Operating Expenses referred to above, the fees of the Depositary and the fees of the Administrator, the "**Fund Expenses**"), including, but not limited to: (i) legal, accounting, auditing, administrative, advisory, consulting, tax compliance, regulatory compliance, technological, special advisor and other professional and paraprofessional and out-of-pocket expenses relating to the administration and operation of the Sub-Fund, including the costs and expenses incurred in the maintenance of the Sub-Fund's books and records, the preparation of financial statements and other reports and regulatory filings (such as Form PF) of the Sub-Fund, the Investment Manager or its affiliates related to the Sub-Fund's activities, reports to Shareholders, tax returns and Schedule K-1s, any amendments or revisions to this Supplement, the valuation of assets of the Sub-Fund, including fees of an independent expert, the registration, qualification, exemption or maintenance of good standing under, and/or legal and regulatory

	compliance of the Sub-Fund and/or the Investment Manager with, any applicable U.S. federal, state, local, non-U.S. or other law or regulation relating to the Sub-Fund's activities (to the extent not prohibited by applicable U.S. federal securities laws), including the preparation and submission of filings with the U.S. Securities and Exchange Commission (including, without limitation, Form PF, as well as the fees and expenses of consultants and professional advisers related thereto) and other national, state, provincial or local regulatory authorities, expenses related to compliance with the ELTIF Regulation, the AIFMD and/or the law, rules or regulations implemented or promulgated in any applicable EEA jurisdiction or the UK in relation thereto (or similar marketing-related regulations in other jurisdictions), including the fees, costs and expenses associated with the ongoing maintenance of registrations in any jurisdiction, expenses related to compliance with privacy laws, rules or regulations of any applicable jurisdiction, including the GDPR, costs and expenses related to legal inquiries and examinations, including regulatory "sweeps" with respect to the Sub-Fund, charges for equipment or services used in communicating information regarding the Sub-Fund's transactions between the Investment Manager and other agents, risk management expenses (including expenses incurred in connection with the purchase of risk management analytic systems), costs and expenses related to third-party information systems, software and technology (such as Bloomberg and others), data feeds, subscriptions, reports and similar items, premiums for insurance protecting the Sub-Fund and any Indemnified Persons from liabilities to third parties in connection with Sub-Fund's affairs, and other administrative and operational expenses of the Sub-Fund that are not reimbursed by Portfolio Investments; (iii) all expenses incurred in connection with any litigation, claim or proceeding involving the Sub-Fund (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith, and any extraordinary expenses (including any indemnification obligations as described in Section 5.10 of the Prospectus) to the extent not prohibited by applicable U.S. securities laws; (iv) expenses incurred in connection with any communications with Shareholders, including responding to shareholder inquiries and reporting or due diligence requests or questionnaires; (v) fees, costs and expenses in connection with or arising from or otherwise related to compliance with environmental, social and governance standards or internal policies applicable to the Sub-Fund or the Investment Manager; (vi) expenses incurred in connection with holding meetings with Shareholders; (vii) all expenses incurred in connection with the dissolution and winding up of any Sub-Fund; (viii) expenses related to any default by an investor in settling the subscription for Shares; (ix) expenses incurred in connection with obtaining consents or waivers in connection with the Prospectus and the Articles of Association;

	(x) principal, interest and other expenses or fees associated with any borrowing or other financing by the Sub-Fund; (xi) fees, costs and expenses incurred in connection with transfers of Shares of Shareholders that are not otherwise borne by the applicable transferor or transferee; and (xii) any taxes imposed on the Sub-Fund and any interest, penalties or expenses relating to any such taxes (other than any taxes required to be withheld in respect of a Shareholder and any taxes otherwise imposed on the Sub-Fund that are attributable to a Shareholder, including any taxes payable by the Sub-Fund as a result of an audit of the Sub-Fund; (xiii) any investment expenses and other costs and expenses related to any opportunity potentially evaluated for the Sub-Fund or in which the Sub-Fund may have participated (whether or not the associated investment opportunity is consummated by the Sub-Fund), including fees and expenses related to the organisation of any Morgan Stanley-managed co-invest entities, whether for the benefit of other investors, Affiliated Investment Accounts or other third parties, and the marketing or placement of interests therein; provided that the Investment Manager may, acting in good faith and taking into account fair treatment of the relevant entities and where justified, determine in its discretion to allocate such expenses in a different manner, which will be based on certain allocation guidelines that will take into account relevant considerations, including any arrangements and agreements in place with the Affiliated Investment Accounts and whether transactions are ultimately consummated by such Affiliated Investment Accounts. Fund Expenses shall not include any Organizational Expenses or overhead expenses of the Investment Manager and the AIFM. In addition, from time to time, for legal, tax or other structuring purposes, the Sub-Fund may establish different subsidiaries (based in Luxembourg or abroad) through which investments will be acquired and held. Intermediate Vehicle Expenses form part of Fund Expenses. To the extent the Sub-Fund or the Intermediate Vehicle establishes one or more subsidiaries, fees and expenses of any service providers that may be engaged to provide corporate services to the Sub-Fund or the Intermediate Vehicle and such other entities and subsidiaries shall be covered as part of Fund Expenses. Morgan Stanley may provide certain services to the Sub-Fund or the Intermediate Vehicle and the amounts payable by the Sub-Fund or the Intermediate Vehicle for such services may not be negotiated on an arm's-length basis and may be more (or less) than the amount a third party might charge for similar services, if the Investment Manager believes that it will be advantageous for the Sub-Fund or the Intermediate Vehicle to engage Morgan Stanley as compared to engaging a third-party service provider for reasons including, without limitation, the fact that the services provided by Morgan Stanley may be more expedient, superior, or cost effective when compared with those provided by a third party. The Investment Manager may advance funds or arrange for one of its Affiliates to advance funds to the Sub-Fund for the payment of Organizational Expenses and Fund

	Expenses, and the Investment Manager or such Affiliate will be entitled to the reimbursement, without interest, of any funds so advanced. **All fees referenced above are exclusive of any applicable tax unless otherwise stated.**
Overall Cost Ratio	The overall cost ratio (being the ratio of the total costs to the Net Asset Value per annum of the Sub-Fund as defined in the ELTIF Regulation) per Class of Shares is set forth in Annex I. The cost ratios represent the currently expected average costs incurred over the life of the Sub-Fund. The actual costs may, in any particular given year and in aggregate during the Life of the Sub-Fund, exceed the average ratio amounts indicated in Annex I. The average yearly overall costs ratio is higher for the first part of the Life of the Sub-Fund, and expected to reduce accordingly in later years. The ratio figures set out in Annex I are based on ex-ante estimated costs and therefore the actual costs paid by a Shareholder may differ from those stated in Annex I. Actual costs incurred will be disclosed in the Annual Report. **In compliance with the ELTIF Regulation, the total annual costs are assessed on an 'all taxes included' basis.**
Discretionary Expense Cap	The aggregate amount of the Organisational Expenses, the AIFM Fee and the Fund Expenses allocated to a Share Class other than extraordinary or exceptional costs and expenses such as, but not limited to, costs and expenses related to litigation, arbitration or other proceedings and regulatory investigations (including penalties, fines, damages and indemnifications) in relation to the Fund or the Sub-Funds (the "**Other Costs**") may be subject to a discretionary annual cap, applied at the discretion of the AIFM taking into account, among others, the performance of the relevant Share Class, the Net Asset Value of the relevant Share Class, the number of investors in the relevant Share Class and/or the costs generally borne by the investors in similar products across the industry (a "**Discretionary Expense Cap**"). For the avoidance of any doubt, the Other Costs referred to in the preceding sentence do not include the Management Fee, the Profit Shares nor the Distribution Costs. The AIFM will have full discretion in applying the Discretionary Expense Cap to one or more Share Classes, setting or changing the level of the Discretionary Expense Cap, and/or discontinuing the application of the Discretionary Expense Cap, in each case, on a go forward basis. The Annual Report and Semi-Annual Report, as well as, where relevant in any other periodic reports made available to the relevant investors, will indicate the level of the Discretionary Expense Cap applicable to a Share Class, if any, as an annual percentage of average Net Asset Value. Any Other Costs that exceed the relevant Discretionary Expense Cap for the relevant period (the "**Excess Costs**") will be borne or advanced, as applicable and as further described below, by the AIFM or any of its Affiliates. The AIFM shall be entitled to reimbursement from the Sub-Fund for any Excess Costs advanced by it (or any of its Affiliates) over the last five (5) years (the "**Reimbursement**"),

	regardless of whether the Discretionary Expense Cap is applied by the AIFM at the time of the Reimbursement and provided that: (a) the Reimbursement may not exceed the lower between: (i) the Excess Costs advanced by the AIFM (or any of its Affiliates) which are eligible for Reimbursement and not yet reimbursed at the time of calculation, and (ii) the positive difference between (x) the amount representing the Discretionary Expense Cap for the relevant period (as calculated on the basis of the applicable Discretionary Expense Cap or, if no longer applied by the AIFM at the time of calculation, the most recent Discretionary Expense Cap that was applicable), and (y) the Other Costs incurred by the relevant Share Class for such relevant period. (b) the Discretionary Expense Cap shall not be increased as long as the AIFM remains entitled to such Reimbursement (i.e. before the end of the five-year period, or until the Reimbursement has been completed or waived by the AIFM). Investors' attention is drawn to the fact that the Reimbursement will accrue on each Valuation Day and will be payable on an annual basis in arrears. The Other Costs to be borne by Shareholders are expected to reach the Discretionary Expense Cap until the Reimbursement is fully completed, waived or expired. Any Excess Costs for which the AIFM is not entitled to reimbursement shall be definitively born by the AIFM (or any of its Affiliates on its behalf).
Sustainability-Related Disclosures	Pursuant to the SFDR, the Sub-Fund is required to disclose the manner in which Sustainability Risks (as defined section 16 (*Certain Risk Considerations*) of this Prospectus) are integrated into investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Fund. The AIFM and the Investment Manager recognize that various sustainability risks can threaten the investments at individual asset level and portfolio level. These sustainability risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations. The AIFM is ultimately responsible for the incorporation of materially relevant sustainability risks in the investment process. The AIFM has delegated the portfolio management of the Sub-Fund to the Investment Manager, and accordingly the Investment Manager incorporates consideration of materially relevant sustainability risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. To do this, the Investment Manager leverages the following information and resources:

	A. Target companies' disclosed information (which may include a company's quarterly financials, earnings calls, general company reporting and / or disclosures, including sustainability-related disclosures); B. Non-target company disclosed publicly available information (such as news reports or industry data); and C. Third-party research and data. Additionally, the Investment Manager conducts top-down sustainability investment risk analysis of all funds under their management. This includes exposure to Sustainability Risks (using, where appropriate, third party ratings and data), controversial business exposures, compliance with UN Global Compact, and the potential impact of different climate change and transition risk scenarios. Pursuant to SFDR, the Sub-Fund is not an investment product which seeks to promote one or more environmental or social characteristics (for the purposes of Article 8 of SFDR) nor does the Sub-Fund have sustainable investment or the reduction in carbon emissions as its objective (for the purposes of Article 9 of SFDR). In relation to Article 7 of SFDR, which requires disclosure of whether and how principal adverse impacts are considered at product-level, the Investment Manager does not generally consider the adverse impacts of investment decisions on sustainability factors, as the Sub-Fund does not commit to promoting environmental or social characteristics, nor does the Sub-Fund have a sustainable investment objective, but the Investment Manager will have regard to sustainability related issues, controversies or risks associated with investments as part of its due diligence and the broader investment process (as described further herein). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. For additional information relating to sustainability risks integration, see Annex II: "Risk Factors and Potential Conflicts of Interest— Conflicts Related to the Management, Structure and Terms of the Sub-Fund" — General Information relating to Sustainability Risks Integration."
Confidentiality	Except with respect to tax related matters as described in this Supplement, Shareholders will be required to keep confidential information relating to the Sub-Fund (including its investors and investments). Notwithstanding the foregoing, each Shareholder (and each employee, representative or other agent of such Shareholder) may disclose information not otherwise protected from disclosure by any applicable law or privilege to the United States Securities & Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other U.S. federal, state or local governmental agency or commission regarding possible legal violations.
Legal Counsel	Loyens & Loeff Luxembourg SARL and Davis Polk & Wardwell LLP are retained as legal counsel in respect of the Sub-Fund and the Investment Manager. Walkers (Ireland) LLP acts as legal counsel in respect of the AIFM.
ERISA Considerations	Shares will not be available for purchase by or transfer to investors subject to Title I of ERISA or Section 4975 of the Code (or any similar law or regulation) without the consent of the Board of Directors.

Other Regulatory Considerations	Without the consent of the Shareholders, the Board of Directors will cooperate and consult with the AIFM and the Investment Manager to modify or amend this Supplement to make any changes that the AIFM and/or the Investment Manager determines are necessary or advisable to comply with and / or reduce, eliminate, or otherwise modify the impact on, or applicability to, Morgan Stanley or any of its Affiliates, or any fund organised, offered, and / or managed by Morgan Stanley (including the Sub-Fund), of any current or future laws (including as related to taxes and the AIFMD, the AIFM Laws and Regulations, and any order, ruling or regulation relating thereto), rules (including as related to regulatory capital rules and any future interpretations that are issued), legal requirements, guidelines or any regulatory restrictions or any interpretation thereof that might otherwise be applicable to Morgan Stanley, the AIFM, the Investment Manager, the Fund and/or the Sub-Fund.
Certain United States Tax Considerations	**The disclosure of U.S. federal tax issues contained in this Supplement is limited to the U.S. federal tax issues addressed below and under Annex II (*Risk Factors and Potential Conflicts of Interest—Tax-Related Risks*). Additional issues may exist that are not addressed in this disclosure and that could affect the U.S. federal tax treatment of the matters that are the subject of these discussions. Prospective Shareholders should review the discussion of U.S. federal tax issues in the Prospectus and should seek advice based on their particular circumstances from an independent tax advisor.** This summary outlines certain significant U.S. federal income tax principles that are likely to apply to Shareholders of the Sub-Fund, given the nature of the investments and activities of the Sub-Fund. The discussion below assumes that the Shareholder is a Non-U.S. Investor, as defined below, that holds its Shares as capital assets. The following discussion does not address all of the tax consequences that may be relevant in light of a Shareholder's particular circumstances. In some cases, the activities of a Shareholder other than its investment in the Sub-Fund may affect the tax consequences to such Shareholder of an investment in the Sub-Fund. For purposes of this summary, a "**Non-U.S. Investor**" is a beneficial owner of Shares that is not a U.S. Person, is not an entity treated as a partnership for U.S. federal income tax purposes, is not treated as a foreign government for purposes of Section 892 of the Code, and is not a tax-exempt organization for U.S. federal income tax purposes. The discussion below addressing Non-U.S. Investors does not, however, address the U.S. federal income tax consequences of an investment in the Sub-Fund by a Non-U.S. Investor (i) whose investment in the Sub-Fund is "effectively connected" with the conduct by such Non-U.S. Investor of a trade or business in the United States, (ii) who is a former citizen or former resident of the United States or that is an entity that has expatriated from the United States, (iii) who is an individual and is present in the United States for 183 days or more in any taxable year or (iv) that, because of its particular circumstances, is otherwise generally subject to U.S. federal income tax on a net income basis. For purposes of this discussion, a "**U.S. Person**" is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States, any state therein or the District of Columbia; or (iii) an estate or trust

	the taxable income of which is subject to U.S. federal income tax regardless of the source thereof. If a Shareholder is an entity that is classified as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of a partner in that partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective investor that is classified as a partnership for U.S. federal income tax purposes should consult its tax advisor concerning the tax consequences of an investment in the Sub-Fund. The discussion of U.S. federal income tax matters contained herein is based on existing law as contained in the Code, Treasury regulations, administrative rulings and court decisions as of the date of this Supplement. No assurance can be given that future legislation, administrative rulings or court decisions will not materially and adversely affect the consequences set forth in this summary, possibly on a retroactive basis. **Each prospective investor is urged to consult its tax advisor concerning the potential tax consequences of an investment in the Sub-Fund.** **Taxation of Non-U.S. Investors** Except as discussed below in "*—FATCA*," a Non-U.S. Investor that is not otherwise subject to the taxing jurisdiction of the United States will not be subject to U.S. federal income or withholding tax on distributions made by the Sub-Fund or on gains recognized on a redemption, sale, or other disposition of Shares. The Sub-Fund believes that it is a "passive foreign investment company" (a "**PFIC**"), and could also be a "controlled foreign corporation" (a "**CFC**"), for U.S. federal income tax purposes. In addition, the Intermediate Vehicle may invest in equity interests in PFICs and CFCs. Under constructive ownership rules, all or certain U.S. Persons owning interests in a Non-U.S. Investor that is a corporation, partnership, trust or estate will be treated as owning their proportionate shares of the Non-U.S. Investor's Shares, as well as their proportionate shares of the Non-U.S. Investor's indirect interest in any underlying PFICs or CFCs for purposes of the regimes applicable to U.S. investors in PFICs and CFCs. Treatment of a U.S. Person as the owner of shares of a PFIC or CFC could have materially adverse tax consequences for such U.S. Person. In order to prevent the imposition of U.S. information reporting requirements and U.S. "backup" withholding in respect of distributions made by the Sub-Fund and gains recognized on the redemption, sale or other disposition of Shares, a Non-U.S. Investor must comply with certain certification requirements (generally, by delivering a properly executed IRS Form W-8BEN or W-8BEN-E to the Sub-Fund). **FATCA** Under Sections 1471 through 1474 of the Code, applicable Treasury regulations and additional guidance ("**FATCA**"), a non-U.S. entity will be subject to a 30% U.S. withholding tax on "withholdable payments" and, after the Passthru Payment Effective Date (as defined below), "foreign passthru payments" it receives, or is treated as receiving, unless it meets the requirements necessary to qualify for an exemption from, or an appropriate reduction of, such tax. Separate rules apply to foreign financial

	institutions ("**FFIs**"), generally including offshore investment funds, and to non-financial foreign entities, with FFIs generally being subject to a much higher compliance burden in order to avoid the imposition of the 30% FATCA tax. The Investment Manager intends to cause the Sub-Fund and each vehicle through which the Sub-Fund holds investments that is organized outside the United States (each, a "**Non-U.S. Fund Entity**") to comply with the requirements necessary to qualify for an exemption from, or an appropriate reduction of, the FATCA tax. It is nevertheless possible that one or more Non-U.S. Fund Entities will not be able to satisfy the applicable requirements at all times, and it is also possible that an entity organized outside the United States in which the Sub-Fund invests (a "**Non-U.S. Investment**") will not be able to satisfy these requirements at all times. Thus, it is possible that one or more of the Non-U.S. Fund Entities or Non-U.S. Investments will be subject to the FATCA tax on "withholdable payments" and, after the Passthru Payment Effective Date, "foreign passthru payments" they receive. In order to qualify for an exemption from the FATCA tax, the Sub-Fund will generally be required, among other things, to collect and report to the Luxembourg tax authorities for transmission to the IRS information regarding ownership by U.S. persons of direct or indirect interests in certain entities that are Non-U.S. Investors. In addition, the Sub-Fund may be required to request that each Non-U.S. Investor waive the application of any law that would otherwise prevent the reporting of the relevant information to the Luxembourg tax authorities or the IRS. Any Shareholder that fails to comply with the Sub-Fund's documentation requests may be charged with any resulting taxes or penalties imposed on the Fund, and Board of Directors may require such Shareholder to sell its Shares or may redeem such Shareholder's Shares. *FATCA Withholding.* Under FATCA, Sub-Fund will generally be required to withhold a 30% FATCA tax from "withholdable payments" that it makes, or is treated as making, to certain Non-U.S. Investors. In addition, after the Passthru Payment Effective Date, the Sub-Fund may be required to withhold FATCA tax from the portion of any distribution that it makes to certain Non-U.S. Investors that constitutes a "foreign passthru payment." A Non-U.S. Investor will be subject to the FATCA tax on "withholdable payments" and, after the Passthru Payment Effective Date, "foreign passthru payments" unless such Non-U.S. Investor provides certain certifications and other information to the Sub-Fund sufficient to establish an exemption from the FATCA tax (including, in the case of certain Non-U.S. Investors that are entities, information generally relating to its U.S. owners, if any). Some Shareholders may be able to obtain a refund of the FATCA tax, provided that they submit certain information to the IRS, but an FFI that is organized in a jurisdiction that does not have a tax treaty with the United States and has not taken steps to prevent the imposition of the FATCA tax will not be entitled to a refund. *FATCA-Related Definitions*. For purposes of FATCA: (viii) "**withholdable payments**" are generally defined as U.S.-source FDAP income (including portfolio interest and other such income that would not otherwise be subject to U.S. withholding tax), but do not include any payments of ECI; (ix) "**foreign passthru payments**" are generally defined as payments that are not themselves "withholdable payments," but are treated as attributable to "withholdable payments" and are made by FATCA-compliant FFIs;

	(x) the "**Passthru Payment Effective Date**" is a date that will be no earlier than two years after the date of publication of final regulations applicable to foreign passthru payments (which have not yet been published); and (xi) FFIs include foreign banks, foreign entities that hold financial assets for the account of others as a substantial portion of their businesses and foreign investment funds. Treasury and the IRS have issued proposed regulations that (i) provide that "withholdable payments" will not include gross proceeds from the disposition of property that can produce U.S.-source dividends or interest, as otherwise would have been the case after December 31, 2018, (ii) delay the time for the application of the FATCA tax to "foreign passthru payments" to the Passthru Payment Effective Date and (iii) state that taxpayers may rely on these provisions of the proposed regulations until final regulations are issued.
Risk Factors and Potential Conflicts of Interest	Please refer to Annex II (Risk Factors and Potential Conflicts of Interest) to this Supplement. Investment in the Sub-Fund entails a high degree of risk. No assurance can be given that the Sub-Fund will achieve its investment objective, return any capital to Shareholders, avoid substantial losses, or achieve its targeted returns and investment results may vary substantially over time. As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities and has extensive investment activities that are independent from (and may from time to time conflict with) those of the Sub-Fund. The Investment Manager can give no assurance that any conflicts of interest will be resolved in favour of the Sub-Fund or the Shareholders. Shareholders shall be required to agree that the activities of the Sub-Fund, the AIFM, the Investment Manager, Morgan Stanley, the Morgan Stanley Related Person and their respective employees and affiliates as expressly authorised by or contemplated by the Prospectus or Annex II (Risk Factors and Potential Conflicts of Interest) may be engaged in by such persons and, to the fullest extent permitted by law, will not, in any case or in the aggregate, be deemed a breach of the Prospectus or any other agreement contemplated therein or any duty that might be owed by any such person to the Fund, the Sub-Fund or to any partner in law or in equity or otherwise, and to the fullest extent permitted by law, that such persons shall not have any liability to the Fund, the Sub-Fund or any Shareholder for such actions in respect of such matter taken in good faith by them. On matters involving a conflict of interest not provided for in the Prospectus, each of the AIFM and the Investment Manager will be guided by its good faith judgment as to the best interests of the Sub-Fund and shall take such actions as are determined by the AIFM or the Investment Manager, as the case may be, to be necessary to ameliorate such conflicts of interest, and the AIFM or the Investment Manager may consult with the Board of Directors with respect to any matter as to which the AIFM or the Investment Manager determines in good faith that a material conflict of interest exists. If the AIFM or the Investment Manager acts as described above, if the Board of Directors approves a waiver of such conflict of interest or if the AIFM or the Investment Manager acts in a manner, or pursuant to standards or procedures, for which approval by the Board of Directors is obtained with respect to such conflict of interest, then, to the fullest extent permitted by law, none of the AIFM, the Investment Manager, Morgan Stanley, Morgan Stanley

	Related Persons or any of their respective employees or affiliates shall have any liability to the Sub-Fund or any Shareholder for such actions in respect of such matter taken in good faith by them, including actions in the pursuit of their own interests, and, to the fullest extent permitted by law, such actions shall not constitute a breach of this Prospectus or any other agreement contemplated herein or of any duty or obligation of such person at law or in equity or otherwise. Certain significant risks and potential conflicts of interest are described in more detail in Annex II (Risk Factors and Potential Conflicts of Interest). Each prospective Shareholder should carefully consider and evaluate such risks and conflicts prior to purchasing Shares in the Sub-Fund.
Selling Restrictions	Please refer to Annex IV (Selling Restrictions) to this Supplement.

ANNEX I
SHARE CLASSES

Class	Currency	Type of Shares (AC/DI)	Hedged (H) / Non-Hedged (N)	Min Investment[2]	Initial Issue Price	Management Fee	Servicing Fee	Overall Cost Ratio
F0I[3]	USD	AC	N	10,000	100	N/A	N/A	0.50%
F0I (EUR)[2]	EUR	AC	N	10,000	100	N/A	N/A	0.50%
F0A[2]	USD	AC	N	10,000	100	N/A	0.85%	1.35%
F0A (EUR)[2]	EUR	AC	N	10,000	100	N/A	0.85%	1.35%
F0ID[2]	USD	DI	N	10,000	100	N/A	N/A	0.50%
F0ID (EUR)[2]	EUR	DI	N	10,000	100	N/A	N/A	0.50%
F0AD[2]	USD	DI	N	10,000	100	N/A	0.85%	1.35%
F0AD (EUR)[2]	EUR	DI	N	10,000	100	N/A	0.85%	1.35%
F0BA[2,3]	USD	AC	N	10,000	100	N/A	1.25%	1.75%
F0BA (EUR)[2,3]	EUR	AC	N	10,000	100	N/A	1.25%	1.75%
F0BD[2,3]	USD	DI	N	10,000	100	N/A	1.25%	1.75%
F0BD (EUR)[2,3]	EUR	DI	N	10,000	100	N/A	1.25%	1.75%
BA[4]	USD	AC	N	10,000	100	1.25%	1.25%	3.25%
BA (EUR)[3]	EUR	AC	N	10,000	100	1.25%	1.25%	3.25%

[2] A higher minimum investment may apply to certain Shareholders in certain countries, in accordance with local regulatory requirements. In such case, such higher minimum investment shall prevail. Further information may be found in Annex VI (Selling Restrictions) below.
[3] Available during Founder Shares Offering.
[4] Reserved to Italian Investors.

Class	Currency	Type of Shares (AC/DI)	Hedged (H) / Non-Hedged (N)	Min Investment[2]	Initial Issue Price	Management Fee	Servicing Fee	Overall Cost Ratio
BD[3]	USD	DI	N	10,000	100	1.25%	1.25%	3.25%
BD (EUR)[3]	EUR	DI	N	10,000	100	1.25%	1.25%	3.25%
FI[5]	USD	AC	N	10,000	100	1.25%	N/A	1.75%
FI (EUR)[4]	EUR	AC	N	10,000	100	1.25%	N/A	1.75%
FID[4]	USD	DI	N	10,000	100	1.25%	N/A	1.75%
FID (EUR)[4]	EUR	DI	N	10,000	100	1.25%	N/A	1.75%
FA[4]	USD	AC	N	10,000	100	1.25%	0.85%	2.60%
FA (EUR)[4]	EUR	AC	N	10,000	100	1.25%	0.85%	2.60%
FAD[4]	USD	DI	N	10,000	100	1.25%	0.85%	2.60%
FAD (EUR)[4]	EUR	DI	N	10,000	100	1.25%	0.85%	2.60%
IA	USD	AC	N	10,000	100	1.50%	N/A	2.00%
IA (EUR)	EUR	AC	N	10,000	100	1.50%	N/A	2.00%
ID	USD	DI	N	10,000	100	1.50%	N/A	2.00%
ID (EUR)	EUR	DI	N	10,000	100	1.50%	N/A	2.00%
AA	USD	AC	N	10,000	100	1.50%	0.85%	2.85%
AA (EUR)	EUR	AC	N	10,000	100	1.50%	0.85%	2.85%

[3] Reserved to Italian Investors.
[5] Available after Founder Shares Offering and until the Class F Subscription Termination Date.

Class	Currency	Type of Shares (AC/DI)	Hedged (H) / Non-Hedged (N)	Min Investment[2]	Initial Issue Price	Management Fee	Servicing Fee	Overall Cost Ratio
AD	USD	DI	N	10,000	100	1.50%	0.85%	2.85%
AD (EUR)	EUR	DI	N	10,000	100	1.50%	0.85%	2.85%
DR[6]	USD	DI	N	10,000	100	1.25%	0.85%	2.40%
DP[5]	USD	DI	N	10,000	100	1.25%	N/A	1.55%
W[7]	USD	AC	N	10,000	100	N/A	N/A	N/A
S[8]	USD	DI	N	10,000	100	N/A	N/A	N/A

[6] Reserved to subscribers via authorized distribution partner.
[7] Reserved to Morgan Stanley for purposes of seeding the Sub-Fund as described in section (Investment Warehousing and Seed Capital) above.
[8] Reserved to the Investment Manager.

ANNEX II
RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

*In addition to the risks set out below, all risk factors and investment considerations detailed in the general part of the Prospectus of **Cabot S.A. SICAV** should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realise an attractive rate of return or that there will be any return of capital.*

Prospective investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Fund, see the sections 14 (Conflicts of Interest) and 16 (Certain Risk Considerations) of the Prospectus.

An investment in the Sub-Fund involves a high degree of risk because of both (i) the structure and terms of the Sub-Fund and (ii) the nature of Portfolio Investments. An investment in the Sub-Fund requires a long-term commitment with no certainty of return. Before investing in the Sub-Fund, prospective investors should carefully consider the following risks inherent in the investment.

The following description of the various risks associated with an investment in the Sub-Fund is not, and is not intended to be, a complete enumeration or explanation of the risks involved in an investment in the Sub-Fund. Prospective investors should read this entire Supplement, the Prospectus, the Articles of Association and the subscription agreement of the Sub-Fund. Prospective investors should consult with their own advisors before deciding whether to invest in the Sub-Fund. In addition, as the investment program changes or develops over time, an investment in the Sub-Fund may be subject to risk factors not described in this Supplement. Capitalized terms used, but not defined below, have the meaning set forth in this Supplement. In addition, the term “Underlying Vehicle” includes any pooled investment vehicle in which the Sub-Fund has made one or more Portfolio Investments, and the term “Portfolio Company” includes any entity (other than an Underlying Vehicle) in which the Sub-Fund or an Underlying Vehicle has invested.

Risks Related to the Structure and Terms of the Sub-Fund

Developments in Financial Services Industry and Impact on Morgan Stanley. In the event of any market turmoil and weakening of the financial services industry, Morgan Stanley’s financial condition may be adversely affected and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have an adverse effect on Morgan Stanley’s business and operations. To the extent that any such events occur, Morgan Stanley, its affiliates and employees may be unable to fulfill their funding obligations to A3, one or more of the Sub-Fund’s key investment professionals may cease to be associated with the Sub-Fund and the Sub-Fund may suffer other adverse consequences, each of which could adversely affect the business of the Sub-Fund, restrict the Sub-Fund’s investment activities and impede the Sub-Fund’s ability to effectively achieve its investment objectives. In addition, the cost and availability of funding available to the Sub-Fund may be adversely affected by illiquidity and wide credit spreads in the credit markets. Continued turbulence in the U.S. and international markets and economy may adversely affect the Sub-Fund.

Risk of Morgan Stanley Credit Event. Although the Sub-Fund is a separate legal entity from Morgan Stanley, in the event that Morgan Stanley were to become insolvent and/or subject to liquidation, or if there were a change of control of Morgan Stanley, the Sub-Fund could nonetheless be adversely affected. In that regard, a bankruptcy or change of control of Morgan Stanley or the Investment Manager could cause the Investment Manager to have difficulty retaining personnel, increase the potential that

Morgan Stanley would not make its Subscription Capital Amount to the Sub-Fund, or otherwise adversely affect the Sub-Fund and its ability to achieve its investment objectives.

Protection of Confidentiality by the Shareholders. Except with respect to tax-related matters as described in **this Supplement**, Shareholders will be required to keep confidential information relating to the Sub-Fund (including its **investors, Shareholders**, Portfolio Investments and Portfolio Companies) and/or its investment results and expectations thereof. To protect the sensitive nature of this information, the Board of Directors, in its discretion, may generally make all or certain confidential information unavailable to all or certain Shareholders, in some cases based on the status of those Shareholders. Decisions to withhold information may make it difficult for investors to monitor the Investment Manager and its performance.

Reliance on the Board of Directors and Investment Manager. The success of the Sub-Fund will be highly dependent on the financial and managerial expertise of the Investment Manager and its expertise in the relevant markets. The quality of results of the Investment Manager will depend on the quality of its personnel. The ability to recruit, retain and motivate such personnel is, to a great extent, dependent on the ability of the Sub-Fund to offer attractive incentive opportunities. While the Investment Manager believes that the present personnel of the Investment Manager and the members of the Team are outstanding, there are risks that death, illness, disability, change in career or new employment of such personnel could adversely affect results of the Sub-Fund. In addition, the AIFM may terminate the Investment Manager Agreement and appoint a new delegated portfolio manager to the Sub-Fund. The Shareholders will not make decisions with respect to the acquisition, management, disposition or other realization of any investment, or other decisions regarding Sub-Fund's businesses and portfolios.

While the Board of Directors is responsible for the overall management and control of the Sub-Fund, it is not a portfolio manager and does not provide portfolio management services to the Sub-Fund. In addition, certain directors of the Fund ("**Directors**") are non-executive Directors and are not required to devote their full time and attention to the business of the Fund. They may be engaged in any other business and/or be concerned or interested in or act as directors or officers of any other company or entity. While the Directors are not portfolio managers and do not participate directly in the selection of investments for the Sub-Fund, the Board of Directors may nonetheless make managerial decisions which may indirectly affect the Investment Manager's ability to select investments for the Sub-Fund and may adversely affect the performance of the Sub-Fund.

Reliance on Third-Party Vehicle and Portfolio Company Management. The Sub-Fund will invest with underlying managers who are unrelated to Morgan Stanley and its affiliates and, indirectly, in investments selected by such unrelated managers. Although the Investment Manager will attempt to evaluate each prospective Portfolio Investment based on criteria such as the performance history of such Portfolio Investment, and its respective manager, if applicable, as well as such Portfolio Investment's investment strategies, the past performance of Portfolio Investment, and its manager, if applicable, may not be a reliable indicator of future results. Some underlying managers may not be registered as investment advisers with the SEC or with other supervisory authorities as applicable, making it more difficult for the Investment Manager to scrutinize such underlying managers' credentials. Neither the Investment Manager nor the Team will have an active role in the day-to-day management of Portfolio Investments in which the Sub-Fund invests. Moreover, the Sub-Fund may not have the opportunity to evaluate the specific investments made by any Portfolio Investment before they are made, and may not be able to dispose of its investment in a Portfolio Investment, including in situations where the Investment Manager is dissatisfied with such Portfolio Investment's performance. Managers of

Portfolio Investments may make investment decisions that are inconsistent with their prior investment history or the applicable Portfolio Investment's offering and governing documents, and the ability of the Investment Manager to timely detect or react to such deviation may be limited. Accordingly, the returns of the Sub-Fund depend on the performance of such unrelated underlying managers and would be substantially adversely affected by the unfavorable performance of such underlying managers. The performance of a Portfolio Investment may also rely on the services of a limited number of key individuals, the loss of whom could significantly adversely affect the Portfolio Investment's performance. Similarly, although the Sub-Fund may seek management rights in Portfolio Investments in which the Sub-Fund invests, the Sub-Fund will not control these Portfolio Investment and generally will not have the opportunity to evaluate the specific investments made by any Portfolio Investment.

Conduct Risk of Professionals. The Sub-Fund may be faced with situations in which members of the Team engage in employee misconduct, including the failure to comply with applicable legal, regulatory, or ethnical obligations; the AIFM, the Investment Manager's or Morgan Stanley's policies and procedures; and/or Morgan Stanley's Code of Conduct. The Board of Directors, the AIFM and the Investment Manager have established policies and/or procedures intended to prevent and/or identify such acts, but they cannot completely prevent the risks caused by such misconduct. In addition, the Board of Directors, the employees and affiliates of the AIFM and Investment Manager and the respective affiliates, partners and service providers of the AIFM and Investment Manager may misappropriate the Sub-Fund's assets by conducting fraudulent acts. It may be difficult to discover such misappropriation of assets in time, and once discovered, there may not be sufficient legal remedy available in relevant jurisdictions, or the legal remedies available may be ineffective in the event that the assets or gains are irretrievable.

Failure by Other Investors to Meet Capital Calls of Portfolio Investments. The Sub-Fund may be one of many investors in Portfolio Investments, many of which will have capital contribution obligations over an extended period of time. Failure by one or more other investors to meet a capital call of a Portfolio Investments could have adverse consequences for the Sub-Fund. The Portfolio Investment may be permitted to require the Sub-Fund and other investors in the Portfolio Investment to contribute additional capital to satisfy the shortfall. If the Portfolio Investment is unable to raise sufficient capital to consummate the proposed investment, the underlying manager may not be able to diversify its portfolio, which could adversely affect results of such Portfolio Investment and could also result in the Portfolio Investment's investments being concentrated in relatively few industries and regions. Furthermore, the Portfolio Investment may not have sufficient capital to contribute capital to existing Portfolio Companies necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular Portfolio Investment, the Portfolio Investment could default in its obligations, which could result in the termination of the Portfolio Investment, causing a lower return or a loss for the Sub-Fund.

Commitments to Portfolio Investments in Excess of Subscription Capital Amounts to the Sub-Fund. The Sub-Fund may make commitments to Portfolio Investments in excess of the total capital contributed to the Sub-Fund. As a result, in certain circumstances, the Sub-Fund may need to retain distributions from, or proceeds from the disposition of an interest in, a Portfolio Investment, or borrow funds or, if necessary, liquidate some or all of its investments, including prematurely at potentially significant discounts to market value, if the Sub-Fund does not generate sufficient cash flow from its investments in order to satisfy the Sub-Fund's obligations in respect of these commitments.

Multiple Levels of Expense. Each of the Sub-Fund and the Portfolio Investments may incur their own management and/or administrative fees, costs and expenses, as well as Profit Share payments on

realized and, in the case of Portfolio Investments, possibly unrealized appreciation and other income. These fees, costs and expenses will result in greater expense to the Shareholders than if the Shareholders were able to invest directly in Portfolio Investments.

Lack of Operating History. Although key personnel of the Investment Manager have had extensive experience investing in the private equity and debt markets, operating businesses, leading mergers and acquisitions, and/or capital market transactions, the Sub-Fund is a newly formed entity with no significant operating history or investment record upon which to evaluate the Sub-Fund's likely performance. The Sub-Fund will make different investments than other earlier investment funds formed by the Team and/or other business units within Morgan Stanley and, as a result, the returns of those funds are not necessarily indicative of the results that the Sub-Fund may achieve. There can be no assurance that the Sub-Fund's targeted returns will be achieved, that the Sub-Fund will achieve comparable results, that the returns generated by the Sub-Fund will equal or exceed those of other investment activities of Morgan Stanley and that the Investment Manager or that the Sub-Fund will be able to implement its investment strategy or achieve its investment objectives. Moreover, the Sub-Fund and its method of operation will differ in several respects from prior investment vehicles managed by Morgan Stanley Private Equity Solutions, *e.g.*, there will be different investment and return objectives. Prospective investors should draw no conclusions from the transactional and advisory experience described herein nor the performance of any other Morgan Stanley Private Equity Solutions investments or funds and should not expect to achieve similar results.

Risk of Loss. The Sub-Fund may be involved in high-risk investments. The Underlying Vehicles and the Portfolio Companies may not be able to achieve their expected business objectives and may experience significant volatility in their performance. In addition, the underlying business of the Underlying Vehicles and the Portfolio Companies may be faced with a series of risks, including market fluctuations, changes in regulatory conditions and in general economic and political conditions, loss of key management personnel and other risks. The performance of the Sub-Fund will also be exposed to the effects of the above risks. Accordingly, there can be no assurance that the operations of the Sub-Fund will be profitable, that the Sub-Fund will be able to avoid losses or that cash from operations will be available for distribution to the Shareholders. The possibility of partial or total loss of capital of the Sub-Fund exists, and prospective investors should not subscribe unless they can readily bear the consequences of a complete loss of their investment. The Sub-Fund will have no source of funds from which to pay distributions to the Shareholders other than income and gains received on Portfolio Investments and the return of capital. Any losses in the Sub-Fund are borne solely by investors in the Sub-Fund and not by Morgan Stanley or its affiliates (other than in their capacities as investors in the Sub-Fund).

Recourse to the Sub-Fund's Assets. The Sub-Fund's assets, including any investments made by the Sub-Fund and any funds held by the Sub-Fund, will be available to satisfy all liabilities and other obligations of the Sub-Fund. If the Sub-Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Sub-Fund's assets generally and not be limited to any particular asset. Accordingly, a Shareholder could find its Shares in the Sub-Fund adversely affected by a liability arising out of a single investment, even if the Shareholder did not participate in such investment because, for example, the Shareholder was excluded or excused from such investment.

Shorter Investment Duration. The Sub-Fund expects to invest in Portfolio Investments that include existing private equity assets, and the Investment Manager therefore expects distributions from the Sub-

Fund to occur earlier than those from private equity funds which have yet to make investments because the underlying Portfolio Companies tend to be nearer to their expected exit date.

Illiquidity of Shares; Limitations on Transfer; No Market for Shares. The Shares have not been registered under the Securities Act or any other applicable securities laws. A Shareholder will not be permitted to transfer its Shares without the consent of the Board of Directors, which consent may be withheld for any reason by the Board of Directors in its sole discretion (in consultation with any of its designated delegates). Furthermore, the transferability of Shares will be subject to certain restrictions contained in the Supplement, the Articles of Association and the Prospectus and will be affected by restrictions imposed under applicable securities laws. The Board of Directors will not consent to any transfer or other disposition to non-Eligible Investors, nor will the Board of Directors consent to any proposed sale, transfer or pledge of a Share that the Board of Directors believes could cause the assets of the Sub-Fund to be treated as "plan assets" under ERISA. There is currently no market for the Shares, and it is not contemplated that one will develop. Consequently, Shareholders may not be able to liquidate their investments prior to the end of the Sub-Fund's life. The Shares should only be acquired by investors able to contribute their funds for an indefinite period of time, as the Life of the Sub-Fund could continue until the date of the eighth anniversary of the Initial Closing. In addition, there are very few situations in which a Shareholder may withdraw from the Sub-Fund.

Illiquidity of Investments. The holding period for Portfolio Investments may be longer than the Sub-Fund initially expects upon consummating such Portfolio Investment. Given the lack of visibility into the ultimate exit events and the need of certain Portfolio Companies to achieve particular performance milestones prior to exit, there is a risk that the Sub-Fund's anticipated exit from a Portfolio Investment may be delayed. There may be significant restrictions on the transfer of interests in Portfolio Investments and, as a result, there is no assurance that the Sub-Fund will be able to transfer these interests. Portfolio Investments may also be prohibited by law or contract from selling their investments for a period of time or otherwise be restricted from disposing of such investments. The investments made by such Portfolio Investments may require a substantial length of time to liquidate. Consequently, there is a significant risk that the Sub-Fund and Portfolio Investments will be unable to realize their investment objectives by sale or other disposition of such investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to such investments. These risks can be further increased by changes in the financial condition or business prospects of the companies in which Portfolio Investments invest, changes in national or international economic conditions, the condition of financial markets, changes in prevailing interest rates, daily price fluctuation limits on commodities, adverse results of insolvency proceedings or other litigation related to securities and obligations in which Portfolio Investments invest, developments or trends in any particular industry and changes in laws, regulations, fiscal policies or political conditions of countries in which Portfolio Investments' investments are made. To the extent the Sub-Fund invests directly in Portfolio Companies, the same risks applicable to Portfolio Investments will also apply to the Sub-Fund.

In particular, during periods of limited liquidity and higher price volatility, a Portfolio Investment's ability to acquire or dispose of its investments at a price and time that such Portfolio Investment deems advantageous may be impaired. In periods of rising market prices, a Portfolio Investment may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; a Portfolio Investment's inability to dispose fully and promptly of positions in declining markets will conversely cause the value of its portfolio to decline as the value of unsold positions is marked to lower prices.

In addition, a Portfolio Investment may distribute its investments in-kind to its limited partners, including the Sub-Fund. In connection with the dissolution and winding up of the Sub-Fund, the Sub-Fund may in turn make in-kind distributions of these investments, which are likely to be composed of illiquid securities, to Shareholders. There can be no assurance that such Shareholders would be able to dispose of these investments or that the value of these investments will ultimately be realized.

Subscription Capital Amounts Will Not Include Certain Fees. The obligation of each Shareholder to make payments in respect of any placement fees and other payments to placement agents, if applicable, will be in addition to the obligation to fund the entirety of such Shareholder's Subscription Capital Amount. The Board of Directors may also (in consultation with the Investment Manager) direct that distributable cash otherwise distributable to Shareholders instead be retained by the Sub-Fund and used to satisfy, or establish reserves for, any of the Sub-Fund's current or anticipated obligations (including, without limitation, Management Fees, Organizational Expenses, Fund Expenses or any other obligations, including those arising from Portfolio Investments), to pay placement fees and other payments to placement agents or to make new investments. Accordingly, a Shareholder's obligations with respect to the Sub-Fund will likely exceed such Shareholder's Subscription Capital Amount.

Use of Subscription Lines and Asset-Backed Facilities. As described in "Borrowing and Leverage" the Sub-Fund may enter into credit facilities or other borrowing arrangements in order to enable the Sub-Fund to make investments in Eligible Investment Assets as permitted by the ELTIF Regulation or as otherwise disclosed under the heading above entitled "Borrowing and Leverage". The Sub-Fund may also pledge assets of the Sub-Fund and guarantee the indebtedness of others (including alternative investment vehicles, Feeder Funds, Parallel Funds and/or Portfolio Companies and entities through which investments by the Sub-Fund are held). The interest expense and other costs of any such borrowings will be Fund Expenses and, accordingly, may decrease net returns of the Sub-Fund. Interest may accrue on any such outstanding borrowings at a rate lower than the Preferred Return. In light of the foregoing, and because the Preferred Return is calculated based on the date of capital contributions (as will be the record for the Sub-Fund), the Investment Manager may have an incentive to fund the acquisition and ongoing capital needs of Portfolio Investments and the Sub-Fund with the proceeds of such borrowings in lieu of using Subscription Capital Amounts, subject to compliance with Article 16 of the ELTIF Regulation.

In addition, the use of a subscription facility (or other long-term leverage) with respect to investments will result in a higher reported gross IRR and net IRR at the fund level than if such subscription facility (or other long-term leverage) had not been utilized and instead the investors' capital had been contributed at the inception of each such investment since the calculation would incorporate shorter periods of time given that calculations of gross IRR and net IRR at the Sub-Fund level use the date of contribution by investors to the Sub-Fund for the relevant investment (i.e., the due date for the call notice, and not the date the investment was made, if funded by a subscription facility that was later repaid with investor contributions) and use the date of distribution from the Sub-Fund to investors (i.e., the date the Sub-Fund wires cash to investors).

To the extent that the Sub-Fund is unable to obtain a subscription facility, access to such facility becomes unavailable or the Board of Directors otherwise determines not to use such facility, the Board of Directors may hold the Subscription Capital Amount in reserve in order to make Portfolio Investments, satisfy fees and expenses and other capital needs as such needs arise in the future.

The Sub-Fund May Guarantee the Obligations of Portfolio Investments and/or Affiliates of the Sub-Fund. Although the Sub-Fund does not expect to, the Sub-Fund may guarantee the obligations of Portfolio Investments and/or affiliates of the Sub-Fund. As a result, if any such Portfolio Investment or affiliate defaults on its obligations, the Sub-Fund will be required to satisfy such obligation. In order to do so, the Sub-Fund may use the Subscription Capital Amounts or liquidate some or all of its investments prematurely at potentially significant discounts to market value.

AIFM Fees. AIFM Fee will be calculated on the basis of net asset value of the Sub-Fund subject to a minimum charge of EUR 50,000 per annum. AIFM fee will be paid out of Sub-Fund assets. As discussed in "—Investment Objectives and Investment Strategy", the Sub-Fund's investments are expected to be illiquid, and will generally be difficult to value. See also "Valuations" below. Calculation of AIFM Fees is therefore subjective. Such calculations will also be subject to conflicts of interest because the valuation of Portfolio Investments will affect the amount of fees due to the AIFM. However, the fact that the AIFM will generally value Portfolio Investments at prices received from unaffiliated managers of Underlying Vehicles will serve to mitigate such conflicts; however, such Underlying Vehicle managers may be subject to similar conflicts in valuing the assets of the Underlying Vehicles.

Valuations. Because there is no public market for private equity investments, they are difficult to value. Disruption and volatility in U.S. and global markets have created and may continue to create additional challenges in accurately valuing such investments. In addition, accounting guidance has changed and may continue to change the way that valuations must be made. The AIFM may consider the valuations made by managers of Portfolio Investments when valuing Portfolio Investments on behalf of the Sub-Fund. Changes in a Portfolio Investment's manager's valuation methodology in response to new accounting guidance may make it difficult for the Sub-Fund to analyse such manager's performance over time. In addition, because the accounting guidance is recent, there may be inconsistency across managers in the way such guidance is implemented. Apart from such market events and accounting guidance, certain securities and other assets in which the Sub-Fund may invest may not have a readily ascertainable market value and will be valued in accordance with the Sub-Fund's valuation principles, and the valuation process inherently involves a degree of subjectivity, particularly in illiquid markets, where the exercise of judgment is critical to determining fair value. For these and other reasons, the Sub-Fund may make investment decisions based on imprecise, incomplete or inaccurate valuation information, which may adversely affect the Sub-Fund and its investors, and there is no guarantee that the value of a Portfolio Investment determined by the AIFM will represent the value that will be realized by the Sub-Fund on the eventual realization of such Portfolio Investment or that would, in fact, be realized upon an immediate disposition of such Portfolio Investment.

The Sub-Fund calculates its Net Asset Value quarterly and conducts quarterly closings whereby investors can subscribe for Shares at the Net Asset Value determined as of the Closing Date. However, the Sub-Fund invests in illiquid assets which are typically valued less frequently, in some cases only on an annual basis. This timing discrepancy between the Net Asset Value calculation and the underlying valuation of the Portfolio Investments introduces a risk that the Net Asset Value may not accurately reflect the current fair value of the Sub-Fund's assets. As a result, investors subscribing for Shares at a quarterly Net Asset Value may do so at a price that does not fully reflect the value of the Sub-Fund's underlying Portfolio Investments. This could lead to dilution of the interests of existing investors or overpayment by new investors, and may adversely impact the overall performance and fairness of the Sub-Fund's valuation and subscription process.

Furthermore, the overall performance of the Sub-Fund will be affected by the acquisition price it pays for its direct or indirect interests in certain Portfolio Investments, which will be subject to negotiation with

the sellers of the interests. While the performance of Portfolio Investment managers, if applicable, may affect the purchase price paid for the interests, the historical performance of such managers is not a guarantee or prediction of their future performance.

Limitations of Investment Performance Data. It is the practice of the Investment Manager to mark its investments to reflect the carrying values as reported by the general partners or managers of Portfolio Investments, rather than the cost of the secondary investments, and the investment performance data presented for the Sub-Fund's predecessor fund is derived using such carrying values. This practice results in the IRR data being impacted initially by the purchase discounts (or premiums) applicable to the acquisition of the Portfolio Investments; over time, the IRR data will increasingly reflect the performance of the underlying investments. As a result, the reliability of the investment performance data of the Sub-Fund's predecessor fund is subject to limitations. Past performance is not necessarily indicative of future results, particularly in an evolving market such as secondary investing.

Availability of Investment Opportunities by the Sub-Fund. The business of identifying and structuring secondary investments in Portfolio Companies and private equity funds of the types contemplated by the Sub-Fund is competitive and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally is subject to market conditions, the prevailing regulatory and political climate and competition from other investors, including investors that have lower cost of funds, more available capital or access to funding sources that are not available to the Sub-Fund and who may have higher risk tolerances or different risk assessments, which may allow them to consider a wider variety of investments or different return targets than those of the Sub-Fund. The Sub-Fund will be competing for investments with other private equity and secondaries investors (including other investment funds with an investment strategy similar to the Sub-Fund), as well as companies, individuals, financial institutions and other investors. Additional sponsors or competitors may enter the market during the Sub-Fund's life, increasing competition and making it even harder for the Sub-Fund to find attractive investment opportunities. In addition, as further described below, each of the Sub-Fund and Morgan Stanley are subject to regulatory considerations and potential conflicts of interest that may affect the Sub-Fund's ability to pursue certain investment opportunities. The Sub-Fund may incur significant expenses investigating potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses, and the fees of other third-party advisors. Even if attractive investment opportunities are identified by the Team, there is no certainty that the Sub-Fund will be permitted to invest in such opportunity (or invest in such opportunity to the fullest extent desired). Moreover, upon a successful bid, legal or contractual transfer restrictions, including rights-of-first-refusal, change-of-control, and other similar provisions applicable to such investment may prevent the Sub-Fund from acquiring all or a portion of such investment. Completing the acquisition of an interest in a private equity fund generally requires the consent of the general partner and/or board of directors, as applicable, of that fund, and there is no assurance that the Sub-Fund will be able to obtain such consent.

Furthermore, GP-led Transactions may require the renegotiation of certain terms with the holders of the target investors and there is no assurance that any such renegotiation will lead to the successful completion of an investment. Accordingly, there can be no assurance that the Sub-Fund and its Portfolio Investments will be able to identify and complete attractive investments in the future or that they will be able to invest fully their subscriptions or commitments, as the case may be. In addition, the Investment Manager may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment. Finally, the current private equity environment has become even more competitive as hedge funds have been competing for investment opportunities that have traditionally

been targeted by private equity funds, and competition for appropriate investment opportunities may continue to increase.

Moreover, identification of attractive investment opportunities by the Portfolio Investments in which the Sub-Fund will be invested is difficult and involves a high degree of uncertainty. Finally, there are other funds sponsored, managed or advised by Morgan Stanley and its affiliates that are or may be seeking investment opportunities similar to those the Sub-Fund or a Portfolio Investment is or may be seeking, and Morgan Stanley and such other funds have no obligation to offer any opportunities it or they may identify to the Sub-Fund or such Portfolio Investment. There can be no assurance as to the number of investment opportunities that will be presented to the Sub-Fund, or that the opportunities presented will be equally tax efficient for each of the entities constituting the Sub-Fund.

Required Primary Commitments. At times the managers of Portfolio Investments expect secondary purchasers to make capital commitment on a primary basis to new funds they are sponsoring in connection with a secondary purchase of interests in an existing fund. Investment on a primary basis will involve blind pool risk.

Potential Significant Impact of the Performance of a Limited Number of Investments. The Sub-Fund expects to participate in multiple Portfolio Investments. However, it is possible that the Sub-Fund will make investments in a limited number of Portfolio Investments and such Portfolio Investments may, in turn, make investments in a limited number of companies. Some Portfolio Investments may have strategies which may limit diversification. Furthermore, the managers of Portfolio Investments may have similar investment objectives and such managers may compete for and make overlapping investments in, and certain of the Portfolio Investments may participate in, the same Portfolio Companies, including, without limitation, through leveraged buyouts structured as “club” deals, resulting in the Shareholders having increased exposure with respect to these Portfolio Investments. A consequence of a limited number of investments or of similar investments is that the aggregate returns realized by the Shareholders may be substantially adversely affected by the unfavorable performance of a small number of these investments and a single investment could have a disproportionate effect on the performance of the Sub-Fund. In addition, the aggregate return on a Shareholder’s investment in the Sub-Fund would likely be substantially adversely affected by the unfavorable performance of investments generally. Moreover, identification of attractive investment opportunities by Portfolio Investments in which the Sub-Fund invests is difficult and involves a high degree of uncertainty.

Although the Investment Manager does not expect the Sub-Fund to do so, following the Ramp-up Period, up to 20% of the Sub-Fund’s total Subscription Capital Amount can be committed for investment in Portfolio Investments managed by a single Underlying Vehicle manager and 10% of the Fund’s total Subscription Capital Amount can be invested in a single Underlying Vehicle (and Follow-On Investments will not be taken into account in calculating the threshold with respect to investments in a single Underlying Vehicle). These restrictions are tested at the time of investment, and events occurring subsequent to investment may cause the Sub-Fund to exceed such limit. In addition, prior to the Final Admission Date, the Sub-Fund will not be bound by such limitations. The aggregate return on a Shareholder’s investment could be the result of a relatively undiversified, limited number of Portfolio Investments.

Portfolio Investments May Be Concentrated. The Investment Manager will seek to obtain Portfolio Investments in an opportunistic manner. As a result, from time to time, the Portfolio Investments held by the Sub-Fund may not be diversified across managers, strategies, sectors, regions or vintage years.

During periods that Portfolio Investments held by the Sub-Fund are not diversified across geographic regions, the investment performance of the Sub-Fund may be subject to greater volatility than would be the case if the Sub-Fund was subject to geographic diversification requirements. In addition, a greater geographic concentration of Portfolio Investments may increase the adverse effect on the Sub-Fund of any problems experienced in such geographic regions. For example, if Portfolio Investments are concentrated in North America, adverse economic conditions in North America may have a material adverse effect on the Sub-Fund's returns. Similar considerations may apply with respect to concentration among managers, strategies, sectors or vintage years.

Investors Have No Management Rights. The Sub-Fund will be managed by the Board of Directors, the AIFM and the Investment Manager. The Board of Directors, the AIFM, the Investment Manager and the respective affiliates and agents of the AIFM and Investment Manager will conduct and manage affairs of the Sub-Fund (including sourcing prospective investments) and Shareholders will not make decisions with respect to the acquisition, management, disposition or other realization of any Portfolio Investment, or other decisions regarding the Fund's business and affairs. Consequently, the Shareholders will generally not be able to evaluate for themselves the merits of particular Portfolio Investments prior to the Sub-Fund making such investments. There can be no assurance that the Board of Directors, the AIFM and the Investment Manager will be able to implement successfully the strategies that the Sub-Fund intends to pursue. As of the date hereof, none of the Portfolio Investments have been identified with certainty. No person should purchase a Share unless such person is willing to entrust all aspects of the management of the Sub-Fund to the Board of Directors, the AIFM, the Investment Manager and the respective affiliates and agents of the AIFM and Investment Manager.

Operating and Financial Risks of Portfolio Companies. Portfolio Investments directly or indirectly in Portfolio Companies will involve a high degree of business and financial risk. Portfolio Companies may face intense market competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel. Some of the Portfolio Companies may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial capital to support their operations, to finance expansion or to maintain their competitive position, may be in an early stage of development, may not have a proven operating history, or may otherwise have a weak financial condition that could result in insolvency, liquidation, dissolution, restructuring or bankruptcy of the relevant Portfolio Company. Certain Portfolio Companies may be subject to risk associated with market changes in interest rates. Interest rate changes may affect the value of a Portfolio Investment directly and indirectly and may also have an impact on the investment opportunities available to the Sub-Fund. In addition, an increase in interest rates would make it more expensive to utilize leverage in making Portfolio Investments.

Uncertainty of Financial Projections. The Board of Directors will determine whether to invest in an entity on the basis of financial projections for such entity. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Risks of Contracts. The enforceability of a contract is subject to uncertainty. If the other party of the contract denies the validity of a contract or refuses to perform its obligations under the contract, the Sub-Fund, an Underlying Vehicle or a Portfolio Company may have difficulty in obtaining full and effective relief. Such uncertainty could have adverse impacts on the performance of the Sub-Fund.

Regulatory Approvals. The Sub-Fund or an Underlying Vehicle may be required to obtain the consent or approval of applicable regulatory authorities in order to invest in particular Portfolio Investments. If the Sub-Fund or the Underlying Vehicle is unable to obtain such consent or approval it may be unable to invest in such Portfolio Investments. A Portfolio Investment could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such Portfolio Investment. Also, the business and operations of a Portfolio Investment may be subject to certain restrictions as a result of the Sub-Fund's or Underlying Vehicle's investment and the activities of Morgan Stanley. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and/or regulations, a change in the Portfolio Investment's customer(s) or for other reasons. There can be no assurance that a Portfolio Investment will be able (i) to obtain all required regulatory approvals that may be required; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could negatively impact a Portfolio Investment's business and operations, which may, in turn, adversely affect the Underlying Vehicle and/or the Sub-Fund. See "*—Portfolio Investments May Be Concentrated*" above and "*—Legal, Tax and Regulatory Risks*" below.

Expedited Transactions. Increasingly, timetables for secondary investments are narrowing and investment analyses and decisions by the Investment Committee may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Investment Manager at the time of an investment decision may be limited and the Investment Manager may not have access to detailed information regarding the investment opportunity, in each case, to an extent that may not otherwise be the case had the Investment Manager been afforded more time to evaluate the investment opportunity. Therefore, no assurance can be given that the Investment Manager will have knowledge of all circumstances that may adversely affect an investment, and the Sub-Fund may make Portfolio Investments which it would not have made if more extensive due diligence had been undertaken.

Changing Consumer Preferences. To the extent that consumer preferences evolve away from products that a Portfolio Company produces, either directly or through provision of key ingredients, and it is unable to modify its products or to develop products that satisfy new consumer preferences, there will be a decreased demand for the Portfolio Company's products. This demand may fluctuate over time due to changing consumer preferences. A reduction in demand for products or downward pricing pressure could negatively impact the Portfolio Company's earnings and, in turn, the Sub-Fund's returns.

Environmental Matters. The Sub-Fund may invest in Portfolio Companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements and environmental costs that could place increasing financial burdens on such Portfolio Companies. Required expenditures for environmental compliance may adversely impact investment returns on Portfolio Companies. The imposition of new, environmental and other laws, regulations and

initiatives could adversely affect the business operations and financial stability of Portfolio Companies. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on Portfolio Companies or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Portfolio Companies will not cause injury to the environment or to people under all circumstances or that the Portfolio Companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on an investment, and there can be no assurance that the Portfolio Companies will at all times comply with all applicable environmental laws, regulations and permit requirements.

Inside Information. From time to time, the Board of Directors, the AIFM, the Investment Manager or the affiliates of the AIFM or the Investment Manager may come into possession of material, nonpublic information concerning an entity in which the Sub-Fund has invested, or proposes to invest, and the possession of such information may limit the ability of the Sub-Fund, the Board of Directors, the AIFM or the Investment Manager as well as the affiliates of the AIFM or the Investment Manager, to buy or sell securities of such entity. In the course of its investment process, the Sub-Fund may be required to enter into confidentiality agreements with potential Portfolio Investments that would prohibit the Sub-Fund and/or the Shareholders from publicly disclosing sensitive information relating to such Portfolio Investments. These arrangements could result in liability for the Sub-Fund, in particular if a Shareholder that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act, as amended, or other similar state or local disclosure laws or regulations applicable to such Shareholder, publicly discloses this information in response to an information request or otherwise. The Sub-Fund may choose, but is not required, to decline these investment opportunities in order to avoid the risk of exposing the Sub-Fund to such liability.

Access to Information Regarding Portfolio Investments. The Investment Manager may not always receive full information from Portfolio Investments, for example because certain information may be considered proprietary by the manager of such Portfolio Investment. Use of proprietary investment strategies that are not fully disclosed to the Investment Manager may involve risks under some market conditions that are not anticipated by the Investment Manager. Furthermore, this lack of access to information may make it more difficult for the Investment Manager to select and evaluate Portfolio Investments and/or to manage risks such as macroeconomic volatility and political uncertainty.

Compensation Arrangements with the Investment Manager. The Investment Manager's Profit Share may create an incentive to make investments that are riskier or more speculative than would be the case if the Investment Manager were not receiving such performance-based compensation. Additionally, certain employees of the Investment Manager may receive a portion of the Profit Share if the Sub-Fund meets certain performance thresholds. This compensation arrangement may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case if this arrangement were not in effect.

The Sub-Fund May Not Be Permitted to Rely on the Creditworthiness of Morgan Stanley in Establishing Business Relationships. The Sub-Fund will be required to establish business relationships with its counterparties based on its own credit standing. Morgan Stanley, including the Investment Manager, may, but will not have any obligation to, allow its credit to be used in connection with the Sub-Fund's establishment of business relationships. Similarly, it is expected that the Sub-

Fund's counterparties will not rely on the credit of Morgan Stanley or the Investment Manager in evaluating the Sub-Fund's creditworthiness.

Absence of U.S. Regulatory Oversight. While the Sub-Fund may be considered similar in some ways to an investment company, it is not required nor does it intend to register as such under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, accordingly, Shareholders will not be accorded the protections of the Investment Company Act. If for any reason the offering fails to meet the applicable conditions for exemption, the assets that the Sub-Fund could acquire or the timing of dispositions of such assets could be limited by the provisions of the Investment Company Act and any available exemptions or exclusions therefrom on which the Sub-Fund might rely. The Sub-Fund could, among other things, be required either (a) to change the manner in which it conducts its operations to avoid being required to register as an investment company or (b) to register as an investment company, either of which could have an adverse effect on the Sub-Fund. In addition, the Shares in the Sub-Fund have not been and will not be registered under the Securities Act or the laws of any state of the United States, and are being offered in reliance upon an exemption from such laws. These Shares have not been recommended by any U.S. federal or state or any non-U.S. securities commission or regulatory authority (including the CSSF). Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Supplement.

Regulation as a Bank Holding Company. Morgan Stanley is a bank holding company (a "**BHC**") under the BHCA. Morgan Stanley has also elected to be treated as a "financial holding company" (an "**FHC**") under the BHCA, which is a status available to BHCs that meet certain criteria. FHCs may engage in a broader range of activities than BHCs that are not FHCs. However, the activities of FHCs and their affiliates remain subject to certain restrictions imposed by the BHCA and related regulations. Because Morgan Stanley may be presumed to "control" the Sub-Fund within the meaning of the BHCA these restrictions would be expected to apply to the Sub-Fund as well. Accordingly, the BHCA and other applicable banking laws, rules, regulations and guidelines, and their interpretation and administration by the appropriate regulatory agencies, have the potential to restrict certain transactions and relationships involving Morgan Stanley and its affiliates, including the Investment Manager, on the one hand, and the Board of Directors and the Sub-Fund, on the other hand, and have the potential to restrict the investments and transactions by, and the operations of, the Sub-Fund. For example, the BHCA may, among other things, restrict the Sub-Fund's ability to make certain investments, impose a maximum holding period on some or all of the Sub-Fund's investments, restrict the Sub-Fund's ability to participate in the management and operations of the companies in which the Sub-Fund invests, and restrict the ability of Morgan Stanley to invest in the Sub-Fund. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances positions held by Morgan Stanley and its affiliates (including the Investment Manager) for client and proprietary accounts would likely need to be aggregated with positions held by the Sub-Fund. Accordingly, where BHCA regulations impose a cap on the amount of a position that may be held, Morgan Stanley may utilize available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require the Sub-Fund to limit and/or liquidate certain investments.

These restrictions have the potential to materially and adversely affect the Sub-Fund by, among other things, affecting the Investment Manager's ability to pursue certain strategies within the Sub-Fund's investment program or trade in certain securities. Moreover, Morgan Stanley may cease in the future to qualify as, or remain in compliance with the requirements to be treated as, an FHC, which may subject the Sub-Fund to additional restrictions or may result in the restructuring or dissolution of the Sub-Fund.

Moreover, there can be no assurance that the BHCA or other bank regulatory requirements applicable to Morgan Stanley or the Sub-Fund will not change, or that any such change will not have a material adverse effect on the Sub-Fund. Morgan Stanley, the Investment Manager and the Sub-Fund may be able to rely on other statutory and regulatory provisions in order to maintain compliance with the BHCA. Morgan Stanley reserves the right to rely on any such applicable exemptions. The BHCA and the regulations and interpretations of the U.S. Board of Governors of the Federal Reserve System (the "**Federal Reserve**") thereunder may be amended over the Life of the Sub-Fund, which could also result in further restrictions on the activities or investments of the Sub-Fund.

At any time, including in the event of any change to the BHCA, or applicable regulations and interpretations under the BHCA, Morgan Stanley may in the future, in its sole discretion and without notice to the Shareholders, take additional steps it deems necessary, advisable or appropriate in its sole discretion for the Investment Manager to comply with laws or regulations (including the BHCA) or to reduce or eliminate the impact or applicability of these bank regulatory restrictions to which the Investment Manager or other funds and accounts managed by the Investment Manager or any of its affiliates (i) are subject or (ii) will be subject upon engaging in a new business transaction.

At any time, the Sub-Fund or the Investment Manager may be restructured in order to reduce or eliminate the impact or applicability of these bank regulatory restrictions on the Sub-Fund or other funds and accounts managed by the Investment Manager and its affiliates. Morgan Stanley may seek to accomplish this result by, depending on the facts and circumstances: causing another persons to be the Directors or causing another entity to be the AIFM or requesting that the Board of Directors take certain actions, transferring ownership of or restructuring the Investment Manager, reducing the amount of Morgan Stanley's investment in the Sub-Fund (if any), or any combination of the foregoing, or by such other means as it determines in its sole discretion. Any such transferee may be unaffiliated with Morgan Stanley. In connection with any such change, the Investment Manager may in its sole discretion assign its right to receive the Profit Share (to the extent it has any such right) or cause another entity to be admitted to the Sub-Fund for the purpose of receiving the Profit Share.

The Volcker Rule. On July 21, 2010, former President Barack Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), including Section 619 thereof which became Section 13 of the BHCA (the "**Volcker Rule**"). The Volcker Rule and its implementing regulations issued by the U.S. federal financial regulators (the "**Implementing Regulations**") prohibit "banking entities," such as Morgan Stanley and its affiliates, from sponsoring or investing in a "covered fund," as defined in the Volcker Rule, except as permitted pursuant to certain available exemptions. The Volcker Rule also prohibits a banking entity from entering 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 that is controlled by such a covered fund. The term "covered fund" includes, among others, private-equity funds that are privately offered in the United States and that rely on Sections 3(c)(1) or 3(c)(7) of the Investment Company Act to avoid being treated as "investment companies" under the Investment Company Act, as well as certain non-U.S. funds that do not otherwise qualify for an exclusion from the covered fund definition. Morgan Stanley and its affiliates are banking entities, and the Sub-Fund is a covered fund for purposes of the Volcker Rule and the Implementing Regulations.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that could affect the Sub-Fund, the Board of Directors, the Investment Manager and the

Shareholders. For example, to sponsor or invest in the Sub-Fund, Morgan Stanley intends to rely on the Implementing Regulations' so-called "asset management" exemption to the Volcker Rule's prohibition on sponsoring or investing in covered funds. Under this exemption, Morgan Stanley may acquire or retain an ownership interest in the Sub-Fund so long as, among other things, (i) Morgan Stanley provides bona fide trust, fiduciary, investment advisory or commodity trading advisory services; (ii) the Sub-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 made by Morgan Stanley in the Sub-Fund is limited to 3% of the outstanding ownership interests of the Sub-Fund, measured by reference to both the total number and aggregate fair market value of the outstanding ownership (the "**Per-Fund Limit**"), and Morgan Stanley's total investments in all covered funds (aggregated with certain affiliate and employee investments) in reliance on the asset management exemption and certain other exemptions are limited to 3% of Morgan Stanley's Tier 1 capital (the "**Aggregate Investment Limit**"); (iv) Morgan Stanley does not enter into a transaction with the Sub-Fund or any covered fund controlled by the Sub-Fund that would be subject to Super 23A and 23B restrictions (as explained below); (v) Morgan Stanley does not, directly or indirectly, guarantee, assume, or otherwise insure the obligations or performance of the Sub-Fund or of any covered fund in which the Sub-Fund invests; (vi) the Sub-Fund, for corporate, marketing, promotional or other purposes, does not share the same name or a variation of the same name with Morgan Stanley, 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 Sub-Fund, except for any director or employee of Morgan Stanley who is directly engaged in providing investment advisory or other qualifying services to the Sub-Fund at the time the director or employee takes such interest; (viii) Morgan Stanley clearly and conspicuously makes certain required written disclosures to any actual and prospective investors in the Sub-Fund; and (ix) the Federal Reserve does not determine that Morgan Stanley's acquisition or retention of an ownership interest in the Sub-Fund is inconsistent with the safe and sound operation and condition of Morgan Stanley.

With regard to the Aggregate Investment Limit, a change in Morgan Stanley's Tier 1 capital may mean that retention of some or all of the ownership of shares in the Sub-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 the Sub-Fund or an excuse or election not to participate in an additional subscription by a Shareholder in the Sub-Fund may cause a violation of the Per-Fund Limit by Morgan Stanley. To the extent that the retention of an interest in the Sub-Fund or further investment in the Sub-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 of, transfer or otherwise reduce some or all of their shares in the Sub-Fund or may be prohibited, entirely or partially, from making further investments in the Sub-Fund.

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, as amended, with the Sub-Fund or any covered fund the Sub-Fund controls. For example, Morgan Stanley is generally prohibited from providing loans or other extensions of credit to the Sub-Fund or any covered fund the Sub-Fund controls or entering into any derivative transaction with the Sub-Fund or any covered fund the Sub-Fund controls (to the extent such derivative transaction gives rise to credit exposure by Morgan Stanley to such fund). Further, any permitted transactions between Morgan Stanley and the Sub-Fund are subject to the market terms requirements of Section 23B of the U.S. Federal Reserve Act. Further, trading and other investment opportunities of the Sub-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 Sub-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 interests in determining what actions to take in complying with the Volcker Rule and the Implementing Regulations may conflict with the interests of the Sub-Fund, the Board of Directors, the Investment Manager and the Shareholders, 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. 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 Sub-Fund (and Morgan Stanley's relationship with the Sub-Fund) may be affected by rules subsequently 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.

Each prospective investor should consult its own legal counsel to determine how it could be impacted by the Volcker Rule, the Implementing Regulations and other aspects of the BHCA.

Other Legal, Tax and Regulatory Risks. The Investment Manager is part of a larger firm with multiple business lines active in multiple jurisdictions that are governed by a multitude of legal systems and regulatory regimes, some of which are new and evolving. As a result, the Sub-Fund, the Investment Manager and their respective affiliates are subject to a significant number of legal, tax and regulatory risks, including changing laws and regulations, developing interpretations of such laws and regulations, as well as existing laws, and increased scrutiny by regulators and law enforcement authorities. Some of this evolution may be directed at the alternative fund industry in general, or certain segments of the industry, and may result in scrutiny or claims against the Sub-Fund or the Investment Manager directly for actions taken or not taken by the Sub-Fund or the Investment Manager. There remains significant uncertainty regarding the full impact that such legislation and the regulations being proposed and promulgated thereunder will ultimately have on the Sub-Fund, the Board of Directors and the Investment Manager and the markets in which they trade and invest.

In addition to the legal, tax and regulatory changes that are expected to occur during the Life of the Sub-Fund, there may be unanticipated changes. The legal, tax and regulatory environment for alternative investment funds, investment advisers, and the instruments that they utilize is continuously evolving. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the financial markets and the success of certain investment strategies. Further, the ability of the Sub-Fund to pursue its investment strategies may be adversely affected due to additional regulatory requirements or changes to regulatory requirements applicable to the Sub-Fund, such as requirements that may be imposed due to other activities of the AIFM, the Investment Manager or their affiliates or as a result of the investment in the Sub-Fund by certain investors or types of investors.

Any changes to current regulations or any new regulations applicable to the Sub-Fund, the AIFM and/or the Investment Manager could have a material adverse effect on the Sub-Fund (including by imposing material costs on the Sub-Fund, reducing profit margins, reducing investment opportunities, requiring a significant restructuring of the manner in which the Sub-Fund is organized, marketed or operated or by otherwise restricting the Sub-Fund, the AIFM and/or the Investment Manager). In addition, the Sub-Fund, the AIFM and the Investment Manager and/or their respective affiliates face the continuing risk of pending and potential litigation and regulatory enforcement action. These risks are often difficult or

impossible to predict, avoid or mitigate. Any such litigation or regulatory enforcement action could materially adversely affect the Sub-Fund.

Prospective investors should note that Portfolio Investment, and their respective managers, if applicable, generally will be subject to risks substantially similar to those described above.

Termination of Interest in a Portfolio Investment. A Portfolio Investment may, among other things, terminate the Sub-Fund's interest in such Portfolio Investment if the Sub-Fund fails to satisfy any capital call by such Portfolio Investment or if such Portfolio Investment determines that the continued participation of the Sub-Fund in such Portfolio Investment would have a material adverse effect on such Portfolio Investment or its assets.

Recourse to the Sub-Fund's Assets. The Sub-Fund's assets, including any investments made by the Sub-Fund and any capital held by the Sub-Fund, are available to satisfy all liabilities and other obligations of the Sub-Fund. If the Sub-Fund becomes subject to a liability, parties seeking to have such liability satisfied may have recourse to the Sub-Fund's assets generally and may not be limited to any particular asset. Similarly, with respect to any liability or obligation of any Portfolio Investment, all of the assets of such Portfolio Investment are available to satisfy such liability, and parties seeking to have any such liability satisfied may have recourse to all of such Portfolio Investment's assets, including the Sub-Fund's interest therein.

Exculpation and Indemnification. The Board of Directors, the AIFM, the Investment Manager and the other Indemnified Persons are exculpated from most liabilities and broadly indemnified by the Sub-Fund. Such indemnification obligations may be material and could have an adverse effect on the returns to the Shareholders. For example, in their capacity as directors of Portfolio Companies, the Board of Directors or the officers, employees, members, partners, managers or affiliates of the Investment Manager or its respective affiliates may be subject to derivative or other similar actions initiated by shareholders of such companies. This Supplement will limit the circumstances under which the Board of Directors, the Investment Manager and its respective affiliates can be held liable to the Sub-Fund. As a result, the Shareholders may have a more limited right of action in certain cases than they would in the absence of such provisions. In addition, certain agents and service providers to the Sub-Fund will be entitled to exculpation and indemnification (in certain cases on terms more favorable to them than those available to the Indemnified Persons generally) from the Sub-Fund. The indemnification obligation of the Sub-Fund would be payable from the assets of the Sub-Fund, including the distributions to the Shareholders.

Distributions. There can be no assurance that the operations of the Sub-Fund will be profitable, that the Sub-Fund will be able to avoid losses or that cash from operations will be available for distribution to the Shareholders. The Sub-Fund will have no source of funds from which to pay distributions to the Shareholders other than income and gains received on Portfolio Investments and the return of capital.

Risks upon Disposition of Investments. In connection with the disposition of an investment by a Portfolio Investment or the Sub-Fund, such Portfolio Investment or the Sub-Fund may be required to make representations about the business and financial affairs of such investment typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. Such Portfolio Investment or the Sub-Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are incorrect, inaccurate or misleading. These arrangements

may result in contingent liabilities, which might ultimately have to be funded by Shareholders (and such funding obligation may not be limited to their available Subscription Capital Amount).

Handling of Mail. Mail addressed to the Sub-Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the AIFM and/or the Investment Manager to be dealt with. The Sub-Fund, its directors, officers, advisors or service providers (including the domiciliation agent which provides registered office services in Luxembourg), and the Board of Directors will not bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Sub-Fund).

No Separate Counsel. Davis Polk & Wardwell LLP ("**Davis Polk**") and Loyens & Loeff Luxembourg S.à r.l. (together with Davis Polk, "**Counsel**") act as special counsel to the Sub-Fund's offering and ongoing investment activities. Separate counsel has not been engaged to act on behalf of the Shareholders. In the event a conflict of interest or dispute arises between any Morgan Stanley entity and the Sub-Fund or any investor, the applicable Counsel will act as counsel to such Morgan Stanley entity and not counsel to the Sub-Fund as a whole or such individual investor(s), notwithstanding the fact that, in certain cases, such Counsel's fees are paid through or by the Sub-Fund (and therefore in effect by the investors). There are times when the interests of the Shareholders may differ from those of the Board of Directors, the AIFM, the Investment Manager and the Sub-Fund. Counsel does not represent the Shareholders' interests in resolving these issues.

In addition, Counsel does not (collectively or individually) undertake to monitor the compliance of the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager and their affiliates with the investment strategies, investment programs, valuation procedures, investment restrictions and other guidelines and terms set forth in this Supplement, nor does Counsel (collectively or individually) monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of information set forth in this Supplement, including information concerning the Sub-Fund, Board of Directors, the AIFM, the Investment Manager, Morgan Stanley and their affiliates and personnel. Counsel may also act as counsel to a Portfolio Company, equity sponsors of a Portfolio Company, other creditors of a Portfolio Company, or an agent therefor, a party seeking to acquire some or all of the assets or equity of a Portfolio Company, or a person engaged in litigation with a Portfolio Company. Prospective investors should seek their own legal, tax, and financial advice before making an investment in the Sub-Fund. In reviewing this Supplement, Counsel has relied upon information furnished to it by the Investment Manager and the AIFM and has not investigated or verified the accuracy or completeness of the information set forth in this Supplement, including information concerning the Sub-Fund, the Board of Directors, the Investment Manager, the AIFM and their affiliates, and personnel.

Special Risks Related to Cybersecurity. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency and severity in the future. Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of internet and telecommunications technologies to conduct financial transactions; the ability and degree to which investment managers collect, maintain and otherwise process proprietary, nonpublic and otherwise sensitive data or information, including trade secrets and personal information relating to Shareholders (and the beneficial owners of Shareholders); and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state actors and state sponsored actors, any of whom may see their effectiveness enhanced by the use of artificial intelligence ("**AI**"). Accordingly, the Sub-Fund,

the Board of Directors, the Investment Manager, the Portfolio Companies and the third-party service providers upon which they rely have faced and will face cybersecurity threats that include, among other things, human error; social engineering; fraud; employee or contractor malfeasance; theft; unauthorized monitoring, release, destruction, misuse, loss, corruption or processing of proprietary, nonpublic and otherwise sensitive data or information, including trade secrets and personal information relating to Shareholders (and the beneficial owners of Shareholders); computer viruses; malicious or destructive code; phishing attacks; ransomware; denial of service attacks; unauthorized access to relevant systems and networks; compromises to systems, networks or devices used to service the operations of the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles, the Portfolio Companies and the third-party service providers upon which they rely; or operational disruption or failures in the physical infrastructure or operating systems and networks that support the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles, the Portfolio Companies and the third-party service providers upon which they rely. Cybersecurity threats are evolving and may be difficult to detect for long periods of time, potentially resulting in further harm and preventing them from being addressed appropriately. The use of internet-connected or cloud-based programs, technologies and data storage applications, as well as AI, also generally heightens the risks of these cybersecurity threats.

Cybersecurity incidents and cyber-attacks may adversely impact the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles, the Portfolio Companies and the third-party service providers upon which they rely potentially resulting in, among other things, financial losses; the inability of Shareholders to transact business and the Sub-Fund to process transactions; inability to calculate the value of the Sub-Fund's assets or its rate of return or other metrics; significant operational interruptions; data privacy breaches; violations of applicable data privacy, cybersecurity and other laws or regulations; litigation; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; regulatory intervention; and/or additional compliance costs. The Sub-Fund may incur additional costs for cybersecurity risk management and remediation purposes. In addition, cybersecurity risks may also impact Portfolio Investments, including Portfolio Companies, which may cause the Sub-Fund's direct or indirect investment in such Portfolio Investments to lose value. Similarly, the public perception that the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles, the Portfolio Companies or any third-party service providers upon which they rely have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and lead to financial losses from loss of business, depending on the nature and severity of the threat.

There can be no assurance that the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles, the Portfolio Companies or the third-party service providers upon which they rely will not suffer losses relating to cybersecurity incidents or cyber-attacks in the future. Although the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Underlying Vehicles and the Portfolio Companies have implemented, and their third-party service providers may implement, various measures designed to manage and remediate risks relating to these types of events, such measures could be inadequate and, if compromised, could become inoperable for extended periods of time, or cease to function properly or fail to maintain the security, confidentiality or privacy of proprietary, non-public or otherwise sensitive data or information, including trade secrets and personal information relating to Shareholders (and the beneficial owners of Shareholders). The Sub-Fund's, the Board of Directors', the Investment Manager's, the Underlying Vehicles' and the Portfolio Companies' controls and procedures, business continuity systems, and cybersecurity systems could prove to be inadequate. These problems could arise in the Sub-Fund's, the Board of Directors', the Investment Manager's, an Underlying Vehicle's or a Portfolio Company's internally developed systems and networks and the

systems and networks of third-party service providers, upon which the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, such Underlying Vehicle or such Portfolio Company rely. The limitations of liability provisions in contracts with third-party service providers, if any, might not be adequate to protect the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles or the Portfolio Companies from any liabilities or damages with respect to any particular claim relating to a cybersecurity threat. Further, given the variety and potential severity of cybersecurity threats, the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles, the Portfolio Companies and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses. In addition, there can be no guarantee that any existing insurance coverage will continue to be available on acceptable terms or at all or that the applicable insurers will not deny coverage as to any future claim.

Data Privacy and Cybersecurity Laws and Regulations. Compliance with current and future laws and regulations related to data privacy and cybersecurity may require a significant expenditure of time and money, could significantly impact current and planned data privacy- and cybersecurity-related practices of the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Underlying Vehicles and the Portfolio Companies, their respective collection, maintenance, and other processing of personal information, and certain of their respective current and planned business activities. Any failure or perceived failure to comply with such laws and regulations could result in fines, sanctions or other penalties, which could materially and adversely affect their results of operations and overall business, as well as cause significant reputational harm.

The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Underlying Vehicles and the Portfolio Companies are subject to laws and regulations related to data privacy and cybersecurity in the jurisdictions in which they do business. As data privacy and cybersecurity laws and regulations are implemented, interpreted and applied, compliance costs could increase, particularly in the context of ensuring that adequate data privacy and data transfer mechanisms are in place.

For example, the GDPR imposes stringent operational data privacy and cybersecurity requirements on both data controllers and data processors (including a requirement for data controllers to provide certain disclosures to EU residents about their data processing practices), provides EU residents with certain individual privacy rights, and imposes significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the violation. In addition, following Brexit, the UK General Data Protection Regulation (i.e., a version of the GDPR as implemented into UK law) (the "**UK GDPR**") went into effect. While the GDPR and the UK GDPR remain substantially similar for the time being, the UK government has announced that it would seek to chart its own path on data protection and reform its relevant laws, including in ways that may differ from the GDPR.

In the United States, at the federal level, the Sub-Fund, the Investment Manager, the Underlying Vehicles and the Portfolio Companies are subject to various rules and regulations, including those promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices (including with respect to data privacy and cybersecurity). Additionally, the Gramm-Leach-Bliley Act of 1999 (the "**GLBA**"), along with its implementing regulations, restricts certain collection, storage, use, disclosure and other processing of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain non-public or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance

of data security standards or guidelines. An amendment to Regulation S-P, an implementing regulation promulgated under the GLBA, was adopted by the SEC on May 16, 2024 and requires advisers to, among other things, adopt and implement an incident response program as part of their formal cybersecurity policies and procedures and report data breaches to affected individuals whose sensitive customer information was, or is reasonably likely to have been, accessed or used without authorization within 30 days of becoming aware of such data breach. The United States Congress also is considering, and may in the future consider, various proposals for data privacy and cybersecurity legislation and regulation.

At the state level, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, the "**CCPA**") provides California residents with certain individual privacy rights and imposes data privacy and cybersecurity obligations on covered companies. The CCPA requires covered companies to provide certain disclosures to California residents about such companies' data collection, use, sharing and other processing practices and to provide California residents with ways to opt-out of certain sales or transfers of their personal information, and provides California residents with certain additional causes of action. A number of other states have enacted, or are considering enacting, their own comprehensive data privacy laws. In addition, laws in all 50 U.S. states require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a cybersecurity incident or cyber-attack.

The cumulative effects of the GDPR, the UK GDPR, the CCPA and other recently adopted data privacy and cybersecurity laws and regulations include an increased ability of individuals, relative to companies, to control the collection, monitoring, use, release, maintenance, disclosure and other processing of their personal information; increased obligations of companies to maintain the security, confidentiality or privacy of personal information; and increased exposure to regulatory action, litigation, fines, damages or reputational harm for companies that do not afford individuals their specified privacy rights, that experience cybersecurity incidents or cyber-attacks or that do not maintain data privacy or cybersecurity practices at certain required levels. The global data privacy and cybersecurity landscape continues to be in flux, resulting in possible significant business risk and operational costs for internal compliance. The Sub-Fund, the Board of Directors, the AIFM, the Investment Manager, the Underlying Vehicles and the Portfolio Companies will endeavor to implement and maintain systems designed to promote compliance with the GDPR, the UK GDPR, the CCPA and these other laws and regulations, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the GDPR, the UK GDPR, the CCPA and such other laws and regulations. In the event of regulatory action, litigation, fines, damages or reputational harm due to noncompliance with such data privacy and cybersecurity laws and regulations or a cybersecurity incident or cyber-attack, there may be an adverse impact on the Sub-Fund, the Board of Directors, the Investment Manager, the Underlying Vehicles and the Portfolio Companies.

Risks of Artificial Intelligence ("AI"). The AIFM and/or the Investment Manager's ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit the AIFM and/or the Investment Manager's ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While the AIFM and/or the Investment Manager may restrict certain uses of third-party and open source AI tools, such as ChatGPT, the AIFM and/or the Investment Manager's employees and consultants and a Portfolio Company may

use these tools, which poses additional risks relating to the protection of the AIFM and/or the Investment Manager's and such Portfolio Companies' proprietary data, including the potential exposure of the AIFM and/or the Investment Manager's or such Portfolio Companies' confidential information to unauthorized recipients and the misuse of the AIFM and/or the Investment Manager's or third-party intellectual property, which could adversely affect the Investment Manager, the Sub-Fund, the Underlying Vehicles or the Portfolio Companies. Use of AI tools may result in allegations or claims against the AIFM and/or the Investment Manager, the Sub-Fund, the Underlying Vehicles or the Portfolio Companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in the AIFM and/or the Investment Manager's and its respective employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on the AIFM and/or the Investment Manager or on the performance of the Sub-Fund, the Underlying Vehicles and the Portfolio Companies. Such AI tools could also be used against the AIFM and/or the Investment Manager, the Sub-Fund, the Underlying Vehicles or the Portfolio Companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of the AIFM and/or the Investment Manager, the Sub-Fund, the Underlying Vehicles or the Portfolio Companies to utilize AI in the manner is has to-date, and may have an adverse impact on the ability of the AIFM and/or the Investment Manager, the Sub-Fund or its Portfolio Companies to continue to operate as intended.

Public Disclosure. Some Shares will be held by Shareholders, such as public pension plans and listed investment vehicles that are subject to public disclosure requirements. The amount of information such Shareholders are required to disclose about their investments has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to the Sub-Fund or its Portfolio Investments results from Shares or interests, as applicable, being held by public investors, the Sub-Fund may be adversely affected. The Board of Directors may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to certain or all Shareholders.

Pay-to-play Laws, Regulations and Policies. A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies, which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state and municipal officials by individuals and entities seeking to do business with state and municipal entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment advisor from providing advisory services for compensation to a government client for two-years after the advisor or certain of its executives, employees or agents makes a contribution to certain elected officials or candidates. Morgan Stanley has established policies to comply with such "pay-to-play" laws and SEC rules. Such laws, regulations, policies and rules may restrict the activities of the Sub-Fund, including the ability to participate in certain investment opportunities or otherwise adversely affect the Sub-Fund.

Anti-Money Laundering, U.S. Department of the Treasury's Office of Foreign Assets Control, and FCPA Requirements. In order to comply with internal policies, legislation or regulations aimed at the prevention of money laundering and the countering of terrorist and proliferation financing, the Sub-Fund

intends to adopt and maintain procedures and may require Shareholders to provide evidence to verify the identity, the identity of their beneficial owners/controllers (where applicable) and source of funds. Where permitted, and subject to certain conditions, the Sub-Fund may also rely upon a suitable person for the maintenance of these procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person. Accordingly, the Sub-Fund will delegate, in accordance with such regulations or policies, the role of verification of identity of all prospective Shareholders and, where applicable, their beneficial owners/controllers to the Investment Manager, which is an indirect, wholly-owned subsidiary of Morgan Stanley. The Investment Manager is subject to the Bank Secrecy Act, as amended by the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("**USA PATRIOT ACT**"). Further, while the Sub-Fund's administrator (the "**Administrator**") if any, intends to comply with rules and regulations aimed at the prevention of money laundering and the countering of terrorist and proliferation financing applicable to the Administrator, the compliance officer of the Fund (RC) has been appointed to ensure the Sub-Fund implements, maintains, and enforces anti-money laundering and other applicable policies and procedures.

The Sub-Fund, the AIFM, the Investment Manager or the Administrator on the Sub-Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a prospective Shareholder and the identity of their beneficial owners/controllers (where applicable), and their source of subscription funds. In the event of delay or failure by a Shareholder to produce any information required for verification purposes, the Sub-Fund, the AIFM, the Investment Manager or the Administrator on the Sub-Fund's behalf, may refuse to accept the relevant application and, if so, any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which the monies were originally debited. The Sub-Fund, the AIFM, the Investment Manager or the Administrator on the Sub-Fund's behalf, also reserve the right to refuse to make any redemption or distribution payment to a Shareholder if the Sub-Fund suspects or is advised that payment of redemption or distribution proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Sub-Fund, the AIFM, the Investment Manager or the Administrator with any applicable laws or regulations.

Each Shareholder will be deemed to have agreed by reason of owning any Shares that it will provide additional information or take such other actions as may be necessary or advisable for the Sub-Fund (in the sole discretion of the Board of Directors, in consultation with the Investment Manager) to comply with any applicable laws and regulations, related legal process or appropriate requests (whether formal or informal) or otherwise. Each Shareholder, by executing the subscription agreement consents and by owning Shares, is deemed to have consented to disclosure by the Sub-Fund and its agents to relevant third parties of information pertaining to it in respect of legal or regulatory requirements or information requests related thereto. Failure to honor any such request may result, in the sole discretion of the Board of Directors, in the required redemption by the Sub-Fund of such Shareholder's Shares.

Economic sanction laws in the United States and other jurisdictions may prohibit Morgan Stanley, its affiliates and the Sub-Fund from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and the U.S. Department of State administer and enforce laws, Executive Orders and regulations establishing U.S. economic and trade sanctions, and other jurisdictions and supranational bodies impose sanctions that may be applicable to the Sub-Fund's activities, which prohibit, among other things, transactions with, investments in and the provision of services to, certain foreign countries,

territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit investment activities in certain jurisdictions or involving certain persons.

Morgan Stanley, its affiliates, and the Sub-Fund are subject to various anti-corruption and anti-boycott laws, rules and regulations, such as the U.S. Foreign Corrupt Practices Act ("**FCPA**"), in the jurisdictions in which they operate. Violations of these laws, rules and regulations may result in significant legal, regulatory, and monetary penalties, as well as reputational harm. Authorities including the U.S. Department of Justice and SEC enforce the anticorruption and anti-boycott laws, and there is risk that Morgan Stanley, its affiliates, or the Sub-Fund could become the subject of such actual or threatened enforcement, as well as other claims or proceedings.

Luxembourg Regulatory Oversight. The Sub-Fund is a compartment of a Luxembourg umbrella fund subject to the 2010 Law. Once authorised, the Luxembourg Commission de Surveillance du Secteur Financier (the "Authority") will have supervisory and enforcement powers to ensure the Sub-Fund's compliance with the 2010 Law. The Authority may take certain actions if it is satisfied that a regulated fund is or is likely to become unable to meet its obligations as they fall due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on or is attempting to carry on business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include, inter alia, the power to impose penalties on the Board of Directors. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

EU Blacklist. Prospective investors in the Sub-Fund should be aware that the ECOFIN committee of the European Union ("**EU**") maintains a list of non-cooperative jurisdictions for tax purposes (which is often referred to as the "**EU blacklist**") and that other jurisdictions maintain lists of low tax or "tax haven" jurisdictions. Investors should be aware that it is unclear which jurisdictions may be included on one or more such lists by the EU or a particular jurisdiction in the future and how long any such designation would remain in place and what ramifications, if any, any such listing would have for the Sub-Fund, investors in the Sub-Fund, the Underlying Vehicles and/or the Portfolio Investments. In particular, investors should be aware that it is possible that the Sub-Fund may use subsidiaries, aggregators or investment vehicles that are domiciled in a jurisdiction that is, or may in the future be, included on one or more such lists, and that Underlying Vehicles may be domiciled in, and/or may use subsidiaries, aggregators or investment vehicles for one or more of investors and/or investments that are domiciled in a jurisdiction that is, or may in the future be, included on one or more such lists. As the EU or any jurisdiction may implement its own laws and regulations in connection with any such listing, the tax and other implications to the Sub-Fund and its investors may differ on a country-by-country and investor-by-investor basis.

Sustainability Risk. "**Sustainability Risk**" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Sub-Fund. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. Sustainability Risks generally revolve around the following factors including but not limited to:

- Climate change risks include both global warming driven by human emissions of greenhouse gases and the resulting large-scale shifts in weather patterns. Risks associated with climate change include transition risks (policy changes, reputational impacts and shifts in market preferences, norms and technology) and physical risk (physical impacts of climate change such as droughts, floods or thawing ground).

- Natural Resource risks including rising costs from resource scarcity or resource usage taxes and systemic risk from biodiversity loss.

- Pollution and waste risks including liabilities associated with contamination and waste management costs.

- Human capital risks include declining employee productivity, attrition and turnover costs, pandemics and supply chain reputational risks or disruption.

- Community risks factors including loss of license to operate, operational disruptions caused by protests or boycotts and systematic inequality and instability.

- Security and safety risks such as consumer security, data privacy and security.

In general, where a sustainability risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value. Such a decrease in the value of an asset may occur for a company in which the Sub-Fund invests as a result of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risks events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the Sub-Fund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk trend may arise and impact a specific investment or may have a broader impact on an economic sector (e.g., IT or health care), geography (e.g., emerging market) or political region or country.

Risk Arising from Potential Controlled Group Liability. Under ERISA, upon the termination of a tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its "controlled group" will be jointly and severally liable for 100% of the plan's unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the Pension Benefit Guaranty Corporation (the "**PBGC**") may assert a lien with respect to such liability against any member of the controlled group on up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union-sponsored) defined benefit pension plan, any withdrawal liability incurred under ERISA will be assessed on a joint and several basis against the withdrawing employer and each member of its controlled group.

A "controlled group" generally includes all "trades or businesses" under 80% or greater common ownership. This common ownership test is broadly applied to include both "parent-subsidiary groups" and "brother-sister groups" applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that the Sub-Fund holds in one or more of its Portfolio

Companies, the Sub-Fund itself cannot be considered part of an ERISA controlled group unless the Sub-Fund is considered to be a “trade or business.”

While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007 the PBGC Appeals Board ruled that a private equity fund was a “trade or business” for ERISA controlled group liability purposes, and at least one Federal Circuit Court has similarly concluded that a private equity fund could be a trade or business for these purposes based upon a number of factors including the fund’s level of involvement in the management of its Portfolio Companies and the nature of any management fee arrangements. Additionally, a federal district court has held that the interests of two separate but affiliated investment funds could, in limited circumstances, be aggregated for purposes of the 80% ownership test described above, treating the two funds as a single entity even where neither fund individually satisfied the 80% ownership test.

If the Sub-Fund were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the investment by the Sub-Fund and/or its affiliates and other co-investors in a Portfolio Company and their respective ownership interests in the Portfolio Company, that any tax-qualified single employer defined benefit pension plan underfunding liabilities and/or multiemployer plan withdrawal liabilities incurred by the Portfolio Company could result in liability being assessed against the Sub-Fund, with a resulting need for additional capital contributions, the appropriation of Sub-Fund assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain Sub-Fund assets. Moreover, regardless of whether or not the Sub-Fund were determined to be a trade or business for purposes of ERISA, a court might hold that one of the Portfolio Companies could become jointly and severally liable for another Portfolio Company’s pension liabilities pursuant to the ERISA “controlled group” rules, depending upon the relevant investment structures and ownership interests as noted above. The Sub-Fund currently intends to take the positions that the Sub-Fund is not a trade or business for ERISA purposes and that ownership interests of the Sub-Fund and any other related funds are not to be aggregated when applying the controlled group ownership tests.

Political Uncertainty and Rise of Populist Political Parties. The rise of populist political parties and economic nationalism has led to increasing political uncertainty and unpredictability throughout the world. Among the attendant risks are greater regulatory uncertainty, for example, regarding the posture of governments with respect to taxation, international trade and law enforcement. Negative regulatory developments could have a material adverse effect on the Sub-Fund and its investments.

Russia-Ukraine Conflict and Israel-Hamas Conflict. There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. In addition, as of March 2025, there is currently an ongoing military conflict between Israel and Hamas. However, the ultimate impact of these conflicts and the effect of each on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Sub-Fund and its Portfolio Investments or any particular industry, business or investee country, and the duration and severity of those effects, is impossible to predict.

Either or both of these military conflicts could have a significant adverse impact and result in significant losses to the Sub-Fund and its Portfolio Investments. This impact could include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It could also limit the ability of the Sub-Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy the Sub-Fund

intends to pursue, all of which could adversely affect the Sub-Fund and/or the Underlying Vehicle's ability to fulfill its investment objectives.

Climate Change-Related Risks. The Sub-Fund could be exposed to potential physical risks from possible future changes in climate. The Sub-Fund's Portfolio Companies could be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases due to climate change, the Sub-Fund's exposure to these events could increase. In addition, the Sub-Fund could be adversely impacted by regulatory changes related to climate change as a result of potential impacts of such changes on the supply chain or stricter energy efficiency standards for buildings. The Sub-Fund cannot provide any assurance that any existing or future regulatory changes will not materially and adversely impact the Investment Manager and the Sub-Fund's operations and business in the future.

Political Tensions between the United States and China. Political tensions between the United States and the People's Republic of China ("**PRC**") have escalated since the COVID-19 (as defined below) outbreak, the PRC National People's Congress' passage of Hong Kong national security legislation, the executive orders issued by former U.S. President Trump in August 2020 that prohibit certain transactions with ByteDance Ltd., Tencent Holdings Ltd. and the respective subsidiaries of such companies, and the executive order issued by former U.S. President Trump in November 2020 that prohibits U.S. persons from transacting in publicly traded securities of certain "Communist Chinese military companies" named in such executive order.

Furthermore, in January 2021, the Chinese government announced sanctions against former secretary of state Mike Pompeo and other high-ranking officials under former U.S. President Trump. Tensions continued to rise when, in May 2022, U.S. President Biden said that the United States would intervene militarily to defend Taiwan if China invades Taiwan by force, when in August 2022, the PRC responded to the visit by former Speaker of the United States House of Representatives Nancy Pelosi to Taiwan by taking various actions including canceling dialogue with the U.S. on military issues, climate change and other topics and launching military exercises off the coast of Taiwan, when in September 2022, the Biden administration announced a $1.09 billion arms sale to Taiwan, and when, in February 2023, the U.S. Air Force neutralized several high-altitude balloons owned by the PRC that had entered U.S. and Canadian airspace and territorial waters. Rising political tensions could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on securities prices and the liquidity and value of the Portfolio Investments.

Investment-Related Risks

Investments in GP-led Transactions. The Sub-Fund intends to invest primarily in GP-led Transactions. These transactions generally entail a restructuring or recapitalization of a private equity-managed company or portfolio, a private equity fund, or its manager. Typically, GP-led Transactions involve providing optional liquidity to investors in a private equity fund and/or providing tactical growth equity capital to support growth within specified assets in a private equity portfolio. The objective of the Sub-Fund is to invest principally in single-asset or concentrated GP-led Transactions , a growing subset of the GP-led secondaries market that the Investment Manager believes represents an emerging and potentially attractive risk-return opportunity. The Sub-Fund generally will not seek to invest in more traditional secondaries transactions, such as purchases of portfolios of limited partner interests in multiple underlying vehicles. Investing in GP-led Transactions involves risks not present, or present to a lesser extent, in more traditional secondaries investing.

GP-led Transactions will often offer less diversification than traditional secondaries investments. For example, GP-led Transactions may take the form of investments concentrated in one or a small number

of Underlying Vehicles or Portfolio Companies, such as a fund restructuring, a sale of a cornerstone investment, or a single-asset secondary transaction. Investments in such GP-led Transactions are expected to result in the Sub-Fund being more concentrated in a smaller number of investments than it would have been had the Sub-Fund pursued a more traditional secondaries investing strategy. As described in "—Potential Significant Impact of the Performance of a Limited Number of Investments" below, limited diversification may cause the performance of the Sub-Fund to be substantially adversely affected by the unfavorable performance of a small number of investments. While the Sub-Fund expects to utilize risk management techniques in evaluating and investing in such GP-led Transactions, there can be no guarantee that such measures will be successful. The Sub-Fund's concentration restrictions or other diversification considerations also may make it difficult for the Sub-Fund to pursue certain GP-led Transactions. For example, a single asset deal may involve a transaction size that is too large for the Sub-Fund to consummate or to consummate without the involvement of other members of a purchasing syndicate.

GP-led Transactions may present risks arising from conflicts of interest between Portfolio Investment sponsors and their fund investors. For example, in a GP-led Transactions, the fund general partner may be in a position to benefit from a transaction, e.g., by crystallizing unrealized carried interest and/or from the opportunity to receive carried interest with respect to post-transaction appreciation in the assets which would not be possible in the absence of the restructuring. Such benefits may dis-incentivize the fund general partner from negotiating a purchase price for the interests being sold that reflects their full value. In addition, information asymmetry between the fund general partner and the existing limited partners in the restructured fund, together with disparities in resources, expertise and available advice, may place such limited partners at a disadvantage to the restructured fund general partner and/or the new investors backing the GP-led Transactions that could call into question the fairness of the transaction, including the price at which the positions of the existing limited partners are purchased. It is possible that the existing limited partners that remain in the restructured fund could bring claims against the general partner if the value of the portfolio were to lose value following a transaction. Conversely, the prior limited partners that sold their positions in the restructured fund could seek damages if they believed that the transaction price reflected less than full value. In addition, regulators, such as the SEC, have focused and continue to focus on conflicts of interest inherent in GP-led Transactions. Actions by current or former restructured fund limited partners or by regulators, including those that allege that the restructured fund general partner did not fulfill its fiduciary duties to investors with respect to the restructuring transaction, have the potential to materially adversely affect the value of, or the ability to realize the value of, a Portfolio Investment in a GP-led Transactions involving similar conflicts of interest.

General Economic and Market Conditions. The success of the Sub-Fund's and the Underlying Vehicles' investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of the Sub-Fund's and the Underlying Vehicles' investments), trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances in respect of the countries in which the Sub-Fund or the Underlying Vehicles may invest. These factors may affect the level and volatility of securities prices and the liquidity of the Sub-Fund's and the Underlying Vehicles' investments, which could impair the Sub-Fund's and/or the Underlying Vehicles' profitability or result in losses. In addition, the recent market disruptions due to COVID-19 and the ongoing conflict in Ukraine may prolong or accelerate fluctuations in the market prices of securities and interest rates. The ability of companies, businesses, projects or assets in which the Sub-Fund or the Underlying Vehicles hold investments to refinance debt

securities may depend on their ability to obtain financing, including by selling new securities in the high-yield debt or bank financing markets. The uncertain state of global credit markets may make it difficult for financial sponsors to obtain favorable financing terms for its investments. In addition, the cost and availability of funding available to the Sub-Fund or the Underlying Vehicles may be adversely affected by illiquidity and wide credit spreads in the credit markets. Any deterioration of the global debt markets or the credit ratings of certain sovereign nations, any possible future failures of certain financial services companies or a significant rise in interest rates, taxes or market perception of counterparty default risk will likely significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn is likely to lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on less favorable terms than had been prevailing in the recent past. The Sub-Fund's and the Underlying Vehicles' ability to generate attractive investment returns may be adversely affected to the extent the Sub-Fund or such Underlying Vehicles are unable to obtain favorable financing terms for their Portfolio Investments. In the event that the Sub-Fund or an Underlying Vehicle is unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavorable terms, the -Sub-Fund or such Underlying Vehicle may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, either of which could lead to a decrease in the investment income earned. Similarly, portfolio companies of Morgan Stanley's funds historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Any market turmoil, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally and may lead to an overall weakening of global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Sub-Fund or an Underlying Vehicle has invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Sub-Fund or such the Underlying Vehicle may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on the Sub-Fund's and such Underlying Vehicle's returns. Such marketplace events may also adversely affect or restrict the ability of the Sub-Fund or the Underlying Vehicles to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of the Sub-Fund and the Underlying Vehicles. Interest rate changes may also affect the value of a debt instrument directly (in the case of adjustable rate instruments) or indirectly (in the case of fixed rate instruments). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Any increase in interest rates would thus be expected to negatively impact the price of debt securities and could adversely affect the value of the Sub-Fund's and the Underlying Vehicles' investments.

While the Investment Manager expects that the current industry environment will yield attractive investment opportunities for the Sub-Fund and the Underlying Vehicles, economic and market conditions may worsen and/or adversely affect one or more of the Sub-Fund's and the Underlying Vehicles' investments, its access to capital or leverage, or its overall performance. The Sub-Fund's and the Underlying Vehicles' investment strategy and the availability of opportunities satisfying the Sub-Fund's and the Underlying Vehicles' risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the current market and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events, and past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Board of Directors will prove correct, and actual events and circumstances may vary significantly.

Market Conditions and Opportunities. The Team's strategy may in some investments be based, in part, upon the premise that businesses and assets will be available for purchase, directly or indirectly, by the Sub-Fund at prices that the Team considers favorable. Furthermore, the Sub-Fund's strategy relies, in part, upon the availability of appropriate investment opportunities identified by the Team, the continuation of existing market conditions or, in some circumstances, upon more favorable market conditions or anticipated investment opportunities existing prior to the termination of the Life of the Sub-Fund. These conditions and opportunities may include, among others, the existence of consolidation opportunities in a particular industry, the continuation of certain existing laws, regulations or government policies or the continuation of certain unemployment, inflation, demographic and other trends. No assurance can be given that such conditions or opportunities will arise or continue, as applicable, or that businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the Board of Directors. Growth rates and other trends do not imply, forecast or predict future results.

Counterparty Risk. The Sub-Fund may invest with third parties through joint ventures, structured transactions and similar arrangements, which may be designed to share risk in the underlying investments with third parties or may involve the Sub-Fund taking on greater risk with an expected greater return or reducing its risk with a corresponding reduction in the expected rate of return. These arrangements may expose the Sub-Fund to risks associated with counterparties in addition to the risks associated with the Underlying Vehicles and their managers and Portfolio Companies.

Inflation. The U.S. and other developed economies have recently experienced higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a Portfolio Company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio Companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a Portfolio Company may earn more revenue but may incur higher expenses. As inflation declines, a Portfolio Company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that continued and more wide-spread inflation in the U.S. and/or other economies will not become a serious problem in the future and have a material adverse impact on the Sub-Fund's returns.

Buy-Out Transactions. The Sub-Fund may invest directly, or indirectly through Portfolio Investments, in leveraged buyouts which by their nature require companies to undertake a high ratio of leverage to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses.

Investments in Troubled or Highly Leveraged Companies. Though it does not expect to do so directly, the Sub-Fund may invest indirectly through Portfolio Investments, in securities and obligations of entities that are experiencing significant financial or business distress or entities involved in work-outs, liquidations, reorganizations, bankruptcies and similar transactions. While these investments may

offer the potential for high returns, they also bring with them correspondingly greater risks and may not show any return for a considerable period of time. Securities and obligations of entities that are experiencing significant financial or business distress typically remain unpaid unless and until the entity reorganizes and/or emerges from insolvency proceedings and, as a result, such securities and obligations may have to be held for an extended period of time, during which the issuer might not make any interest or other payments. Defaulted obligations might not be repaid at all.

There are a number of significant risks when investing in distressed companies that are or may be involved in bankruptcy proceedings, including adverse and permanent effects on a company, such as the loss of its market position and key personnel, and if converted to a liquidation, a possible liquidation value of the company that is less than the value that was believed to exist at the time of the investment. Bankruptcy proceedings are often lengthy and difficult to predict, and could adversely impact a creditor's return on investment. In addition, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor. Under certain circumstances, payments to Portfolio Investments or distributions by Portfolio Investments to the Sub-Fund may be reclaimed if any such payment is later determined in a bankruptcy proceeding to have been a preferential payment. Many of the events within insolvency proceedings are adversarial and often beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that the court administering such proceedings would not approve actions which may be contrary to the interests of Portfolio Investments and, consequently, the Sub-Fund.

The level of analytical sophistication, both financial and legal, necessary for successful investment in entities experiencing significant business and financial distress is very high. There is no assurance that the Investment Manager, the Team, the Sub-Fund or the Portfolio Investments will correctly evaluate the nature and magnitude of the various factors that could affect the prospect for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an entity in which a Portfolio Investment invests, such Portfolio Investment may lose its entire investment or may be required to accept cash or securities and obligations with a value less than such Portfolio Investment's original investment.

Control Positions. The Sub-Fund may directly, or indirectly through Portfolio Investments, take control positions in companies. The Sub-Fund or its affiliates may, as a result of holding such positions, be involved in claims in tort, securities law, environment law or other areas of law and may also be subject to certain liabilities in the event of the bankruptcy or reorganization of a Portfolio Company. The Sub-Fund will generally indemnify the Board of Directors and the Investment Manager for such claims, and therefore may become subject to significant litigation expenses and liabilities, and whilst the Investment Manager intends to operate the Sub-Fund in a way that will manage the exposure to these risks the possibility of successful claims cannot be precluded.

Investments in Small and Middle Market Capitalization Companies. The Sub-Fund expects to invest in Portfolio Investments focused on small and middle market capitalization companies. The securities of such companies generally have lower liquidity and higher price volatility than those of companies with larger capitalization. In addition, the securities of small and middle market capitalization companies pose greater investment, business and financial risks and can result in substantial losses due to special risk factors. For example, such companies may have limited product lines, distribution channels and financial and managerial resources and typically are subject to a greater degree of change in earnings and business prospects than issuers with larger market capitalizations. Further, there is often less publicly available information concerning such companies than for larger, more established

businesses. The securities of small and middle market capitalization companies are often traded over-the-counter or on regional exchanges, may not be traded in the volumes typical on a national securities exchange and may also be more difficult to value than other types of securities. Additionally, transaction costs for these investments are often higher than for investments in larger capitalization companies.

Minority Investments. The Portfolio Investments are expected to include minority and/or non-controlling, direct or indirect interests of Portfolio Companies. As a result, in such cases, the Sub-Fund typically will have a limited ability to exert influence over the Portfolio Companies in which the Sub-Fund invests. In such cases, the Sub-Fund will rely on the existing management and board of directors or similar body of such entities, which is expected to include representation of other investors with whom the Sub-Fund is not affiliated and whose interests may conflict with the interests of the Sub-Fund. In holding non-controlling interests, the Sub-Fund will have a limited ability to create additional value in the entities in which it invests by effecting changes in the strategy and operations of these entities or to protect its positions in such entities or to create or take advantage of exit opportunities. The Sub-Fund's inability to control the timing of the making, restructuring, refinancing and exiting of its investments may adversely affect performance. The timing and extent to which the Sub-Fund realizes proceeds from any disposition or other liquidity event with respect to any Portfolio Investment may depend on the decisions and actions of others, including the sponsors that offered the co-investment opportunity to the Investment Manager. The management of Portfolio Companies may make business, financial or management decisions with which the Investment Manager does not agree or such management may take risks or otherwise act in a manner that does not serve the Sub-Fund's interests. There can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of a Portfolio Company or the interpretation of applicable law or regulations, investments by the Sub-Fund will not be deemed to have control elements for certain contractual, regulatory or other purposes. In addition, in circumstances where the Sub-Fund holds minority/and/or non-controlling positions, the Investment Manager may be limited in its ability to provide support services, including through the provision of support assistance personnel to Portfolio Companies.

Risk Arising from Provision of Managerial Assistance. To the extent permitted by applicable laws and regulations, the Sub-Fund may obtain rights to participate substantially in the conduct of the management of certain Portfolio Companies. The Sub-Fund may designate directors to serve on the boards of directors of certain Portfolio Companies. The designation of representatives and other measures contemplated could expose the assets of the Sub-Fund to claims by a Portfolio Company, its security-holders and its creditors, including claims that the Sub-Fund is a controlling person and thus is liable for securities laws violations of a Portfolio Company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of Portfolio Company, could result in claims against the Sub-Fund if the designated directors violate their fiduciary or other duties to a Portfolio Company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose the Sub-Fund to claims that it has interfered in management to the detriment of a Portfolio Company. While the Investment Manager intends to operate the Sub-Fund in a way that will manage the exposure to these risks, the possibility of successful claims cannot be precluded.

Undervalued Investments. The Sub-Fund's investment strategy with respect to certain types of investments may be based, in part, upon the premise that certain investments that are otherwise performing may from time to time be available for purchase by the Sub-Fund at "undervalued" prices. Purchasing interests at what may appear to be "undervalued" or "discounted" levels is no guarantee that

these investments will generate attractive risk-adjusted returns to the Sub-Fund or will not be subject to further reductions in value. No assurance can be given that investments can be acquired at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of the Board of Directors.

Market and Credit Risks of Fixed Income Securities. The Sub-Fund may directly, or indirectly through Portfolio Investments, invest in fixed-income securities and obligations, including, without limitation: bonds; convertible bonds; bank loans; notes and debentures issued by corporations; debt securities issued or guaranteed by local or regional governments or the U.S. Government or one of its agencies or instrumentalities; commercial paper; and "higher yielding" (and, therefore, higher risk) debt securities of any of the former categories. These securities and obligations may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Portfolios with debt securities are subject to credit and market risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security. "Market risk" refers to price volatility that may result from such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Risks Relating to Equity Securities and Other Assets that have Characteristics of Debt Securities. The Sub-Fund may directly, or indirectly through Portfolio Investments, invest in equity securities and other assets (such as pharmaceutical royalties) which have characteristics similar to those of debt securities. Such investments may be subject to the same or similar risks as debt securities, including risks related to issuer insolvency and/or default and interest rate fluctuations. See "—Market and Credit Risks of Fixed Income Securities" above.

Risks Related to Cash Infusions to Existing Portfolio Investments. The Sub-Fund may make cash infusions to Portfolio Investments for any purpose, including to protect the applicable Portfolio Investments. The Sub-Fund may not receive any equity interest, debt interest or any other form of compensation in, or from, such Portfolio Investment. Such cash infusions may be subject to a higher risk of loss than any equity or debt investments which the Sub-Fund may make.

Leverage. The Sub-Fund and the Portfolio Investments will use leverage in their investment strategies, subject to the limits and requirements outlined in the ELTIF Regulation. Leverage may take the form of loans for borrowed money (*e.g.*, margin loans) or derivative securities and instruments that are inherently leveraged, including options, futures, forward contracts and swaps used for hedging purposes. The Sub-Fund or Portfolio Investments may use leverage to acquire, directly or indirectly, new investments (including prior to the Sub-Fund's First Closing or Final Closing Date). The Sub-Fund or Portfolio Investments may leverage existing investments to permit distributions or additional investments, facilitate the Sub-Fund's hedging activities, meet capital calls of Portfolio Investments or Portfolio Companies, pay expenses and bridge fundings for investments in advance of capital calls. Derivative instruments typically require an initial outlay of a small amount of capital; the deposit of additional capital or "variation margin" is generally required if the positions decline in value. The use of

leverage by the Sub-Fund or the Portfolio Investments can substantially increase the market exposure (and market risk) to which the Sub-Fund's and the Portfolio Investments' investment portfolios may be subject. The use of leverage will result in interest charges or costs, which may be explicit (in the case of loans) or implicit (in the case of many derivative instruments) and, depending on the amount of leverage, such charges or costs could be substantial. The level of interest rates generally, and the rates at which the Sub-Fund and Portfolio Investments can leverage in particular, can affect the operating results of the Sub-Fund and the Portfolio Investments. The Portfolio Investments may be exposed to leverage at multiple levels, including borrowing at the portfolio company level, the Underlying Vehicle level (e.g., in the form of a capital call facility), borrowing at the level of the Sub-Fund and transaction-based leverage.

The Sub-Fund or Portfolio Investment may each enter into credit facilities or other borrowing arrangements, or the Sub-Fund may enter into credit facilities or other borrowing arrangements with respect to the Intermediate Vehicle or some or all other entities through which the Sub-Fund directly or indirectly structures its investments, in which case, to the extent permitted by applicable law, including the ELTIF Regulation and ERISA, each of those entities will be authorized to assume joint and several liability for any such borrowings. Any such joint and several liability will indirectly subject each Shareholder to the credit risk with respect to intermediate entities in which such Shareholder does not hold a direct or indirect interest.

The recent proposal to revise the current U.S. Basel III capital rules, if adopted as proposed, would significantly revise risk-based capital requirements for banks with assets of $100 billion or more, thereby potentially likely increasing the financing costs to which the Sub-Fund and the Portfolio Investments are subject. The Federal Reserve's target interest rates have remained higher than recent past periods, and the timing and pace of interest rate changes remain unknown and could have an adverse effect on the economy, including higher interest rates and lower bank lending and bond prices, and, as a result, may reduce the availability of leverage and increase the financing costs to which the Sub-Fund and the Portfolio Investments are subject. Any material increase in financing costs or reduction in the availability in leverage would have a material adverse effect on the Sub-Fund.

Leverage may have important adverse consequences to Portfolio Companies and to the Sub-Fund as a direct or indirect investor in the Portfolio Companies. The amount of a leveraged Portfolio Company's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, as well as the fees and other costs of borrowing, may have a marked effect on a leveraged Portfolio Company's performance. These Portfolio Companies may be subject to restrictive financial and operating covenants. Leverage may also impair these Portfolio Companies' ability to finance their future operations and capital needs. In addition, although a Portfolio Company may incur leverage, proceeds of this debt may be paid as a dividend to stockholders and not invested in operating or financial assets, or otherwise retained by the Portfolio Company. As a result, the flexibility of Portfolio Companies to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged Portfolio Company's income and net assets will tend to fluctuate at a greater rate than if borrowed money were not used. In addition, a Portfolio Company with a leveraged capital structure will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy, or deterioration in the condition of such Portfolio Company or its industry. In the event that a Portfolio Company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Sub-Fund or a Portfolio Investment in a Portfolio Company could be significantly reduced or eliminated.

Bridge Financing. The Sub-Fund is permitted to make bridge investments. If the Sub-Fund makes an investment in a single transaction with the intent of refinancing or syndicating the portion of that investment consisting of bridge investments, there is a risk that the Sub-Fund will be unable to complete successfully such a refinancing or syndication. This could cause the Sub-Fund to be less diversified than the Board of Directors intended. In addition, subject to applicable laws, the Sub-Fund may lend to Portfolio Companies on a short-term, unsecured basis or otherwise provide short-term financings to Portfolio Companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge financings will typically be convertible into more permanent, long-term securities. Nevertheless, issuance of such long-term securities or other refinancing or syndication may fail for reasons beyond the control of the Sub-Fund, and therefore such bridge financing may remain outstanding. In such events, the interest rate on such financings or the terms of such bridge investments may not adequately reflect the risks in connection with the Sub-Fund's liabilities or investments.

Hedging Instruments May Adversely Affect Overall Performance. The Sub-Fund and the Portfolio Investments may choose, but are not required, to engage in transactions designed to reduce the risk or to protect the value of their investments, including securities and currency hedging transactions. The Sub-Fund and the Portfolio Investments may engage in short-sale and derivative transactions, including, without limitation, forward contracts and option and swap transactions involving Portfolio Company securities or other securities, whether or not in connection with a hedging strategy; *provided*, however, that the Sub-Fund will not enter into derivative transactions for speculative purposes. These hedging strategies could involve a variety of derivative transactions, including transactions in forward, swap and option contracts or other financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, forward contracts, options and short sales (collectively "**Hedging Instruments**"). Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions' value. While these transactions may reduce the risks associated with an investment by the Sub-Fund or the Portfolio Investments, the transactions themselves entail risks that are different from those of the investments of the Sub-Fund or the Portfolio Investment. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk (see "—Leverage" above). Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the Sub-Fund and the Portfolio Investments may benefit from the use of Hedging Instruments, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Sub-Fund and the Portfolio Investments than if they had not used such Hedging Instruments. Moreover, it may not be possible to hedge against a currency exchange rate, interest rate or public security price fluctuation that is so generally anticipated that the Sub-Fund and the Portfolio Investments are not able to enter into a hedging transaction at a price sufficient to protect them from the decline in the value of the portfolio position anticipated as a result of the fluctuation. The success of hedging transactions will be subject to the ability to correctly predict movements in and the direction of currency exchange rates, interest rates and public security prices. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, the Sub-Fund and the Portfolio Investments may not seek to establish a perfect correlation between Hedging Instruments and the investment being hedged. This imperfect correlation may prevent the Sub-Fund or the Portfolio Investments from

achieving the intended hedge or expose it to risk of loss. The making of short sales exposes the Sub-Fund or the Portfolio Investments to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, because the Sub-Fund holds securities indirectly through Portfolio Investments, there can be no assurance that securities necessary to cover a short position will be available for purchase. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities becomes restricted. In addition, these hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. The successful use of these hedging strategies depends upon the availability of a liquid market and appropriate Hedging Instruments, and there can be no assurance that the Sub-Fund or the Portfolio Investments will be able to close out a position when deemed advisable by the Investment Manager. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Hedging transactions also involve additional costs and expenses, which may adversely affect the overall performance of the Sub-Fund or the Portfolio Investments. There can be no assurance that the Sub-Fund or the Portfolio Investments will engage in hedging transactions at any given time or from time to time, or that these transactions, if available, will be effective.

Insolvency Considerations with Respect to Issuers of Indebtedness. Various laws enacted for the protection of creditors may apply to indebtedness, including convertible debt, in which the Sub-Fund and/or certain of the Portfolio Investments may invest. The information in this and the following paragraph is applicable with respect to U.S. issuers subject to U.S. federal bankruptcy law. Insolvency considerations may differ with respect to other issuers. In a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of indebtedness, such as a trustee in bankruptcy, if a court were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness, and after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of such issuer, or to recover amounts previously paid by such issuer in satisfaction of such indebtedness.

The Sub-Fund does not expect that Portfolio Investments will engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance, preference or equitable subordination. There can be no assurance, however, as to whether any lending institution or other party from which the Sub-Fund or such Portfolio Investment may acquire such indebtedness engaged in any such conduct (or any other conduct that would subject such indebtedness and the Sub-Fund or such Portfolio Investment to insolvency laws) and, if it did, as to whether such causes of action could be asserted in a U.S. court (or in the courts of any other country) against the Sub-Fund or such Portfolio Investment.

Indebtedness consisting of obligations of non-U.S. issuers may be subject to various laws enacted in the countries of their issuance for the protection of creditors.

Participation on Creditors' Committees. An Underlying Vehicle may participate on court-mandated or ad hoc committees formed by creditors to negotiate the terms of the restructuring of financially troubled entities that may or may not be in formal insolvency proceedings or an Underlying Vehicle may

seek to negotiate directly with the debtors with respect to restructuring issues. If an Underlying Vehicle does join a creditors' committee, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to such Underlying Vehicle in such proceedings. By participating on such committees, such Underlying Vehicle may be deemed to have duties to other creditors represented by the committees, which might thereby expose such Underlying Vehicle to liability to such other creditors who disagree with such Underlying Vehicle's actions.

An Underlying Vehicle may also be provided with material non-public information that may restrict such Underlying Vehicle's ability to trade in the entity's securities and obligations. Even though an Underlying Vehicle may intend to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, such Underlying Vehicle may trade in the entity's securities and obligations while engaged in the entity's restructuring activities. Such trading creates a risk of litigation and liability that may cause an Underlying Vehicle to incur significant legal fees and potential losses.

Third-Party Litigation. A Portfolio Investment's investment activities subject it to the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where such Portfolio Investment exercises control or significant influence over an entity's direction. Existing investors in Portfolio Investments may bring lawsuits against the Sub-Fund, along with the manager of such Portfolio Investment, particularly in situations where existing investors in such Portfolio Investments are adversely affected by the Sub-Fund's participation in such Portfolio Investment. The expense of defending against claims by third parties and paying any amount pursuant to settlements or judgments would generally be borne by such Portfolio Investment (and would reduce net assets) and indirectly, by the Sub-Fund.

Investment and Trading Risks. An investment in the Sub-Fund, and in turn in each of the Portfolio Investments, involves a high degree of risk, including the risk that the entire amount invested may be lost. Certain Portfolio Investments will invest in and actively trade in securities and obligations using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the equity, fixed income and currency markets, the risks of short sales, the risks of leverage, the potential illiquidity of derivative instruments, claims and other securities and obligations, the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests. A Portfolio Investment's investment program may utilize such investment techniques as margin transactions, option transactions, short sales, and forward contracts, which practices involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which such Portfolio Investment may be subject. No guarantee or representation is made that any Portfolio Investment's investment program or overall portfolio, or various investment strategies utilized or investments made, will have low correlation with each other or with the U.S. equity market or the U.S. credit markets or that any Portfolio Investment's returns will exhibit low long-term correlation with an Investor's traditional securities portfolio. All investments made by a Portfolio Investment risk the loss of capital. No guarantee or representation is made that any Portfolio Investment's investment program will be successful, that any Portfolio Investment will achieve its targeted returns or that there will be any return of capital invested, and investment results may vary substantially over time.

Unspecified Use of Proceeds. Investment in the Sub-Fund is intended for long-term investors who can accept the risks associated with indirectly investing primarily in Portfolio Investments, which, as of the date of this Supplement, have not been selected. Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments by the Sub-Fund and should expect to rely upon the Investment Manager to identify, structure and implement

investments consistent with the Sub-Fund's investment objectives. No assurance can be given that the Sub-Fund will be successful in obtaining suitable investments or that, if the investments are made, the objectives of the Sub-Fund will be achieved and that Shareholders will receive a return of their capital or that the Sub-Fund will avoid substantial losses.

Investments Longer than the Life of the Sub-Fund. The Sub-Fund's investments may not be advantageously disposed of prior to the date the Sub-Fund will be terminated. In connection with the winding up of the Sub-Fund, the Sub-Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time. During the course of dissolution, the Board of Directors (or the relevant liquidator) will seek to convert such assets of the Sub-Fund to cash or cash equivalents but there can be no assurance with respect to the time frame in which the winding-up and the final distribution of proceeds to the Shareholders will occur.

Distributions In-Kind. Although, under normal circumstances, prior to the termination of the Sub-Fund, the Sub-Fund intends to make distributions in cash, it is possible that following the termination of the Life of the Sub-Fund, distributions may be made in-kind subject to the terms of this Supplement and could consist of securities for which there is no readily available public market and which may be subject to substantial restrictions on sale or transfer.

Fraud and Illegal Activity. It is possible that the employees and affiliates of the Sub-Fund, the AIFM, the Investment Manager and their respective affiliates, partners and service providers could seek to misappropriate the Sub-Fund's assets by conducting fraudulent acts or otherwise conduct illegal or unethical activities that adversely affect the Sub-Fund. It may be difficult to discover such actions in time, and once discovered, there may not be sufficient legal remedy available in the relevant jurisdiction, or the legal remedies available may be ineffective in the event that the assets or gains are irretrievable.

Unforeseen Events Risk. Portfolio Investments may be subject to catastrophic events and other force majeure events such as fires, earthquakes, volcanic eruptions, lightning, floods, hurricanes and other adverse weather conditions, outbreaks of infectious diseases and other natural disasters, changes in law, eminent domain, riots, terrorist attacks, epidemics and other similar risks. In addition, depending on the country in which a Portfolio Investment is located, there may exist the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. These events could result in the partial or total loss of a Portfolio Investment or significant down time, resulting in lost revenues, among other potentially detrimental effects. Although Morgan Stanley has implemented and Portfolio Investments will likely implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for an extended period of time or cease to function properly, Morgan Stanley, the Sub-Fund and/or a Portfolio Investment may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Morgan Stanley's, the Sub-Fund's and/or a Portfolio Investment's operations and result in a failure to maintain the security, confidentiality or privacy of proprietary, nonpublic or otherwise sensitive data or information, including trade secrets and personal information relating to Shareholders (and the beneficial owners of Shareholders). Such a failure could harm Morgan Stanley's, the Sub-Fund's and/or a Portfolio Investment's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Epidemics and Other Public Health Crises. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, avian flu, Ebola and the outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future emergencies have the potential to materially and adversely impact economic production and

activity in ways that are impossible to predict, all of which could result in significant losses to the Sub-Fund.

In 2019, an outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**") occurred and it subsequently spread globally. The COVID-19 pandemic led to disruption in national, regional and local markets and economies affected thereby, including the United States and the Grand Duchy of Luxembourg. The restrictive measures taken to contain or mitigate its spread, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of a large numbers of offices, businesses, schools, and other public venues, significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets.

Although the World Health Organization declared on May 5, 2023 that COVID-19 was no longer a public health emergency of international concern, it reaffirmed that the global risk assessment remains high. Any resurgence of COVID-19 through a new variant, or the emergence of any other new pandemic, could have a significant adverse impact and result in significant losses to the Sub-Fund or one or more of its portfolio companies. The extent of the impact on the Sub-Fund and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted. In addition, the operations of the Sub-Fund, its portfolio companies, the Board of Directors, the Investment Manager and the Firm generally could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures could also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

In summary, the impact of a health crisis such as the COVID-19 pandemic, and other epidemics and pandemics that could arise in the future, could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis could exacerbate other pre-existing political, social and economic risks, and the extent of the impact would depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities. Any such impact could adversely affect the Sub-Fund's performance, resulting in losses to shareholders.

U.S. Political Risk. Prospective investors should note that the outcome of U.S. elections can create uncertainty with respect to legal, tax and regulatory regimes in which the Sub-Fund, the Underlying Vehicles and the Portfolio Companies, as well as the Board of Directors, the Investment Manager, Morgan Stanley and their affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Sub-Fund and its Portfolio Investments.

Uncertain Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, United Kingdom and elsewhere, the threat of additional terrorist strikes, the fear of a prolonged global conflict and the introduction or amendment by certain jurisdictions of anti-money laundering, embargo and/or trade sanctions, or other similar laws, regulations, requirements or regulatory policies, have materially exacerbated volatility in the financial

markets and can cause consumer, corporate, and financial confidence to weaken, increasing the risk of a 'self-reinforcing' economic downturn. Portfolio Investments can be expected to be sensitive to the global economic and political climate, with instability in one or the other potentially having a negative impact on the global economy and global business activity (including in the countries in which the Sub-Fund invests), and therefore could adversely affect the performance of Portfolio Investments. Instability in the global economic environment (including credit, securities, currency, commodity and other markets) and in global politics may increase the risks inherent in the Portfolio Investments and activities. A continued negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility, stifle investment, and reduce liquidity, each of which could have a material adverse effect on the performance of the Portfolio Investments and the Sub-Fund's ability to generate returns.

Terrorist Activities. The continued threat of global terrorism and the impact of military and other action will likely continue to cause volatility in the economies of certain countries and various aspects thereof, including in prices of commodities, and could affect the Sub-Fund's financial results. The Sub-Fund's investments may involve significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near such assets would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage. As a result of global events and continued terrorism concerns, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees for claims resulting from acts of terrorism, war or similar events. As a result of a terrorist attack or terrorist activities in general, the Sub-Fund or the Underlying Vehicles may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Natural Disasters; Availability of Insurance. Certain Portfolio Companies may be located in earthquake zones or be subject to risks associated with other natural disasters, such as fire, tropical cyclones, tornadoes, windstorms, volcanic eruptions, tsunamis or floods. Insurance coverage of such risks may be limited, may be subject to large deductibles, or may be, or in the future become, completely unavailable. There can also be no assurance the particular risks which are currently insurable will continue to be insurable on an economic basis. Inflation, changes in building codes and ordinances, environmental considerations and other factors might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by the Sub-Fund might not be adequate to restore its economic position with respect to the affected property. If a major uninsured loss occurs, the Sub-Fund could lose both invested capital in and anticipated profits from the affected Portfolio Companies.

Force Majeure Risk. The Sub-Fund, an Underlying Vehicle, the AIFM, the Investment Manager, the Sub-Fund's Portfolio Investments and Portfolio Companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fires, floods, earthquakes, hurricanes, tornadoes, landslides, explosions, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, trade war, cyber security breaches, terrorism, nationalization of industry and labor strikes). Some force majeure events in any country in which the Sub-Fund targets investments could have a material adverse effect on the economy in such country or globally and/or the business operations of Portfolio Companies. Force majeure events could adversely affect the ability of a party (including a Portfolio Company or a counterparty to the Sub-Fund, an Underlying Vehicle or a Portfolio Company) to perform its obligations, and the liability and cost arising out of a failure to perform obligations as a result of such force majeure event could be considerable and could be borne by the Sub-Fund, an Underlying Vehicle or a Portfolio Company until such party is able to remedy the force majeure event. In addition, the cost to a Portfolio

Company, an Underlying Vehicle or the Sub-Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war, earthquakes, fires or an outbreak of an infectious disease, including COVID-19) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Sub-Fund or an Underlying Vehicle may invest specifically, thereby affecting the Sub-Fund and the Board of Directors. See "*—Epidemics and Other Public Health Crises*" above. Additionally, a major governmental intervention into an industry in light of a force majeure event or otherwise, including the nationalization of an industry or the assertion of control over one or more Portfolio Companies or its assets (including government action in response to COVID-19), could result in a loss to the Sub-Fund, including if its investment in such Portfolio Company is canceled, unwound or acquired (which could be without what the Sub-Fund considers to be adequate compensation or ability to remedy). Any of the foregoing may therefore adversely affect the performance of the Sub-Fund and its investments.

Volatility of Commodity Prices. Certain Portfolio Investments may be materially affected by fluctuations in commodity prices. A significant and protracted decline in these commodity prices could have a material adverse effect on the value of such Portfolio Investments made by the Sub-Fund.

Proposed SEC Private Funds Regulation. On August 23, 2023, the SEC adopted a number of new rules and amendments to existing rules under the Advisers Act (the "**Private Funds Rules**") including new requirements related to quarterly statements, financial statement audits, restricted activities and the preferential treatment of certain investors. Specifically, the Private Funds Rules include (i) a requirement for detailed quarterly disclosure to investors of private fund performance, fees and expenses (including disclosure of the compensation paid to the investment adviser and its affiliates) and additional portfolio investment-level disclosure, (ii) limitations and conditions on the ability of advisers to charge certain types of fees and expenses to private funds (including reductions to Profit Share clawbacks for taxes and fees and expenses related to investigations that result in sanctions under the Advisers Act), (iii) a prohibition on the allocation of fees or expenses related to a portfolio investment on a non-pro rata basis among multiple private funds invested in the same portfolio investment unless the allocation is fair and equitable and the adviser provides a prior written notice of the non-pro rata allocation and a description of how such allocation is fair and equitable, (iv) subject to certain limited exceptions, limitations on an advisers ability to grant certain types of preferential terms regarding redemption or information about portfolio holdings or exposures to only certain investors (e.g., through side letters), (v) a requirement to provide written notice to current and prospective investors of certain preferential terms granted to only certain investors in the same fund and (vi) a requirement for the adviser to document an annual compliance review. However, on June 5, 2024, the United States Court of Appeals for the Fifth Circuit unanimously ruled to vacate the Private Funds Rules on the basis that the SEC exceeded its statutory authority in adopting the Private Funds Rules. It is presently unclear whether the SEC will propose a new version of some or all the Private Funds Rules and/or seek to enforce some or all of the principles and policy objectives of the Private Funds Rules under other statutory authority, which could increase operating costs of advisers to private funds and their affiliates. Accordingly, the future of the Private Funds Rules and any impact on the Sub-Fund, the Investment Manager and members of the Investment Team and their respective affiliates is presently unclear.

Furthermore, on May 3, 2023, the SEC also approved amendments to Form PF (the "**Form PF Amendments**") which, among other things, require advisers to private equity funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single portfolio company's capital structure, and portfolio company restructurings or recapitalizations.

The Form PF Amendments also require that advisers report certain events to the SEC within 72 hours of their occurrence.

A separate cybersecurity rule proposal (the "**Proposed Cybersecurity Rules**") would require advisers to adopt and implement formal cybersecurity policies, report significant cybersecurity incidents to the SEC, and provide enhanced disclosure of cybersecurity risks and incidents to investors.

The SEC has also proposed amendments to rules and disclosure forms (the "**Proposed ESG Rules and Forms**") to increase disclosure obligations regarding certain funds' and advisers' incorporation of environmental, social and governance factors in their investment process and a new oversight rule and rule amendments under the Advisers Act (the "**Proposed Outsourcing Rules**") that would prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. Finally, the SEC has also proposed new rules and amendments to Rule 206(4)-2 under the Advisers Act (the "**Proposed Custody Rule Changes**" and, together with the Proposed Cybersecurity Rules, the Proposed ESG Rules and Forms and the Proposed Outsourcing Rules, the "**Proposed Rules**"), which would expand the current custody rule to cover a broader array of client assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act. The final versions of the Proposed Rules could (but are not expected to) differ significantly from the Proposed Rules.

There can be no guarantee as to the enforcement in practice of the Form PF Amendments or as to the content of the final versions of the Proposed Rules. The Form PF Amendments, and if adopted as proposed, the Proposed Rules are expected to increase the cost of operating the Sub-Fund (including those costs ultimately allocated to the Sub-Fund) and the time and resources that the Sub-Fund, the AIFM, the Investment Manager and their personnel will be required to devote to reporting and compliance matters. The effect of the Form PF Amendments and the Proposed Rules on the Sub-Fund, the AIFM, the Investment Manager, their personnel or any of their respective affiliates could be substantial and adverse.

Risks Associated with Non-U.S. Investments Generally

Political Risks. Investments made by the Sub-Fund directly, or indirectly through Portfolio Investments, may be subject to changing political environments, regulatory restrictions and changes in government institutions and policies, any of which could adversely affect such private investments.

With respect to certain countries where the Sub-Fund may invest, directly or indirectly through Portfolio Investments, there is the possibility of nationalization, expropriation or confiscatory taxation, political changes, governmental regulation, social instability or diplomatic developments (including war) that could adversely affect the economies of such countries or the value of the Sub-Fund and the Portfolio Investments' investments in those countries. In addition, it may be difficult to obtain and enforce a judgment in a court outside of the United States.

Actions in the future of one or more of the governments in the countries in which the Sub-Fund and the Portfolio Investments invest could have a significant effect on the various economies of such countries, which could affect market conditions, prices and yields of securities in the Sub-Fund and the Portfolio Investments' portfolios. Political and economic instability in any of the countries in which the Portfolio Investments invest could adversely affect such Portfolio Investments or the Sub-Fund's investments.

Economic reforms enacted in countries to encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign co-investment, including

limitations on investment returns, and such restrictions could have an adverse effect on investments made by the Portfolio Investments or the Sub-Fund.

Economic Risks. Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits and other economic regulations are possible, any of which could have an adverse effect on the Sub-Fund or a Portfolio Investment's investments.

The economies of the countries in which the Sub-Fund or the Portfolio Investments may invest may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency or balance of payments.

Legal Risks. Laws and regulations in certain jurisdictions, particularly those relating to foreign investment, data privacy, cybersecurity and taxation, may be subject to change or evolving interpretation. Further, situations may arise where legal action is pursued in multiple jurisdictions. Investments in non-U.S. corporations or assets may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws. In addition, such investments may give rise to taxes in local jurisdictions, which may not give rise to any corresponding credit or tax benefit to a limited partner. Also, some governments from time to time may impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or asset transfers or the imposition of exchange controls making it difficult or impossible to exchange or repatriate the local currency. In addition, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action difficult and provide little, if any, legal protection for investors. Portfolio Companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide the Sub-Fund with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, the Sub-Fund's investments may be adversely affected. Because the effectiveness of the judicial systems in non-U.S. countries varies, the Sub-Fund (or any Portfolio Investment) may have difficulty in successfully pursuing claims in the courts of such countries, as compared to the United States or other developed countries. Further, to the extent the Sub-Fund or a Portfolio Investment may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which the Sub-Fund invests, there can be no assurance that such courts will enforce such judgment.

The availability of information within developing countries and emerging market jurisdictions, including information concerning their economies and the securities of companies in such countries, and the amount of government supervision and regulation of private companies in developing countries, generally is more limited than is the case in more developed countries. The accounting, auditing and financial reporting standards and practices of certain countries may not be equivalent to those employed in more developed countries and may differ in fundamental respects. Accordingly, the Investment Manager's ability to conduct due diligence in connection with the Sub-Fund's investment and to monitor the investment may be adversely affected by these factors. The Investment Manager may not be in a position to take legal or management control of the Sub-Fund's investments in certain countries. It may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the country in question where it may be difficult to obtain and enforce a judgment.

Aggregate trading volumes on non-U.S. securities markets are substantially lower than trading volumes in the United States. Securities of most non-U.S. companies in which Portfolio Investments invest may be less liquid and more volatile than securities of comparable U.S. companies.

Foreign Currency and Exchange Risks. To the extent that the Sub-Fund directly or indirectly holds assets in local currencies in countries outside the United States, the Sub-Fund will be exposed to a degree of currency risk that may adversely affect performance. Changes in foreign currency exchange rates may affect the value of securities in the portfolios of Portfolio Investments. To the extent that the Sub-Fund has commitments to fund Portfolio Investments denominated in currencies other than U.S. dollars, fluctuation in currency exchange rates may result in the Sub-Fund being obligated to contribute amounts to such Portfolio Investments in excess of the Sub-Fund's commitments to such Portfolio Investments.

In addition, the Sub-Fund may incur costs in connection with conversions between various currencies or in foreign currency exchange transactions in anticipation of funding capital commitments or receiving proceeds upon dispositions. The Sub-Fund and/or Portfolio Investments may also enter into financial arrangements intended to hedge their currency exchange and/or interest rate risks. Such hedging arrangements are themselves subject to risks. For example, changes in interest rates, securities prices or currency exchange rates may result in lower overall returns than if the Sub-Fund and/or Portfolio Investment had not entered into any hedging arrangement. Further, there can be no assurance that the instruments necessary to hedge will be available, or that such instruments will be attractively priced at the time the Sub-Fund and/or Portfolio Investment may desire to use them.

Repatriation of investment income, capital and the proceeds from sales of securities by foreign investors such as the Sub-Fund may require governmental registration and approval in some countries. The Sub-Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Accounting Standards. Investments may be made in countries where generally accepted accounting standards and practices differ significantly from those practiced in the United States and in Luxembourg. The evaluation of potential investments and the ability to perform due diligence may be affected. The financial information appearing on the financial statements of a company operating in one or more countries outside Luxembourg may not reflect its financial position or results of operations in the way that they would be reflected if the financial statements had been prepared in accordance with Luxembourg generally accepted accounting principles. The foregoing may be particularly true for private equity investments, where there may be little or no publicly available information about private companies. In addition, for issuers that keep accounting records in a local currency, inflation accounting rules in some countries require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to express items in terms of currency of constant purchasing power, while others do not require or permit such restatement. As a result, financial data may be materially affected by restatements for inflation and may not accurately reflect the real condition of issuers and securities markets. Financial information that is incomplete or of low quality may adversely affect the Sub-Fund's or Portfolio Investments' investment decisions.

Local Intermediary Risks. Certain Portfolio Investments' transactions may be undertaken through local brokers, banks or other organizations outside the United States, and such Portfolio Investments will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that Portfolio Investments

would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose Portfolio Investments to a variety of risks, including theft, loss and destruction. Portfolio Investments will also be dependent upon the general soundness of the banking systems of the countries in which they invest.

Exit Strategies. A number of factors may complicate exit strategies pursued by the Sub-Fund and Portfolio Investments with respect to investments outside of the United States. Aggregate trading volumes on non-U.S. securities markets are substantially lower than trading volumes in the United States. Securities of most non-U.S. companies may be less liquid and more volatile than securities of comparable U.S. companies.

European Union Screening Regulation. In March 2019, the EU adopted Regulation (EU) 2019/452 (the "Screening Regulation"), establishing a framework for the screening of foreign direct investments ("FDI") from non-EU countries that may affect security or public order. At that time, roughly half of the European Union Member States had some form of legislation in place for screening foreign direct investment within their territories (namely, Austria, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia and Spain). The Screening Regulation's objective is to equip the EU to identify, assess and mitigate potential risks for security or public order by creating a framework for European Union Member States that already have, or that may implement a screening mechanism. The Screening Regulation does not require European Union Member States to implement or maintain a screening mechanism. The Regulation has applied since October 11, 2020.

The Screening Regulation covers FDI from third countries, i.e. those investments "which establish or maintain lasting and direct links between investors from third countries including State entities, and undertakings carrying out an economic activity in a Member State." The Screening Regulation applies to all sectors of the economy. It is not triggered by any monetary threshold. The Screening Regulation empowers European Union Member States to review investments within its scope on the grounds of security or public order, and to take measures to address specific risks. The review and, when required, the adoption of measures preventing or conditioning an investment is the ultimate responsibility of European Union Member States.

In determining whether FDI is likely to affect security or public order, European Union Member States and the European Commission may "consider all relevant factors, including the effects on critical infrastructure, technologies (including key enabling technologies) and inputs which are essential for security or the maintenance of public order, the disruption, failure, loss or destruction of which would have a significant impact in a Member State or in the Union."

Under the Screening Regulation, the European Commission has no formal power to approve or prevent FDI, but it can intervene in national screening by obtaining information from the national competent authority. The European Commission may also screen FDI that is likely to affect projects or programs of EU interest on the grounds of security or public order and issue an opinion. European Union Member States must take account of the European Commission's opinion and justify a decision not to follow the Commission's opinion. The framework establishes basic criteria for FDI screening, such as transparency, non-discrimination, procedural rules and factors to be taken into account in determining whether an investment is likely to affect security or public order.

On March 25, 2020, the Commission provided guidance to European Union Member States on how to use foreign direct investment (FDI) screening in times of public health crisis and economic vulnerability

given the COVID-19 emergency. In its guidance, the Commission urged European Union Member States to be particularly vigilant to prevent a "sell-off" of Europe's business and industrial actors, including small and mid-size enterprises, and to seek advice and coordination in cases where foreign investments could, actually or potentially, now or in the future, have an effect in the single market.

In its guidance, the Commission called upon European Union Member States that currently have screening mechanisms to make full use of those mechanisms and called upon European Union Member States that do not have a screening mechanism, or whose screening mechanisms do not cover all relevant transactions, to set up a screening mechanism and/or consider other options to address cases where the acquisition or control of a particular business, infrastructure or technology would create a risk to security or public order, including health security, in the EU.

The scope of the Screening Regulation and the concerns expressed by the Commission in the context of the current pandemic suggest that more transactions involving companies in the EU are likely to be subject to FDI screening, and if not screened, could be subject to ex post comments by European Union Member States or opinions by the Commission up to 15 months after completion of the investment. The outcome of any FDI screening process may be difficult to predict, and there is no guarantee that, if applicable to a Portfolio Company, the decisions of a national competent authority would not adversely impact the Portfolio Investment in such entity.

Emerging Markets. Although the Sub-Fund does not expect to invest in emerging markets, the **Sub-**Fund may indirectly be exposed to such investments via its Portfolio Investments. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of investors.

Investments in Non-Listed Enterprises and Securities. The Sub-Fund will make investments in non-listed enterprises and securities. Non-listed enterprises and securities are generally not governed by investor protection provisions of applicable securities laws and relevant regulations, such as rules on corporate governance and information disclosure. Accordingly, the Sub-Fund's investments in non-listed enterprises and securities may be riskier than investments in the stocks or bonds of listed companies. The Investment Manager and/or Board of Directors may make inappropriate decisions due to the lack of information and therefore cause the Sub-Fund to suffer losses.

Risks Associated with the European Union. The long-term stability of certain European financial markets remains uncertain and the possibility of defaults and/or bankruptcies by sovereign states in Europe in respect of their obligations remains a concern, which could have an impact on economic

conditions and market activity in the EU. Given current market conditions of relatively weak growth in many EU member states (which are expected to continue in the near to medium term), there is a risk that default of certain participating member states of the EU may lead to the collapse of the Eurozone as it is constituted today, that certain member states of the EU may cease to use the Euro as their national currency or that one or more member states may seek to withdraw from EU membership, which would likely have an adverse impact on the Sub-Fund. Moreover, financial and economic developments in one EU member state may impact economic and financial conditions among other EU member states. A Euro collapse would likely have negative implications for the European financial industry and the global economy as a whole because of counterparty risks, exposures and other "systemic" risks. A potential effect would be an immediate reduction of liquidity for particular investments in economically connected countries, thereby impairing the value of such investments.

United Kingdom Exit from the EU; Future Trade With the EU. Following the withdrawal of the UK from the EU, the EU and the UK agreed to an EU-UK Trade and Cooperation Agreement ("**TCA**") that governs the trading relationship between the UK 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.

UK regulated firms in the financial sector are adversely affected by these arrangements because the TCA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time the UK 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 UK 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 UK 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 UK'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 UK 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 Sub-Fund, the performance of its Portfolio Investments and its ability to fulfil its investment objectives (especially if its Portfolio 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).

Tax-Related Risks

An investment in the Sub-Fund involves complex U.S. federal income tax considerations that may differ for each investor. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in the Sub-Fund.

U.S. Taxation of Sub-Fund Income

It is expected, and this discussion assumes, that the Sub-Fund (and each other Sub-Fund of the Fund) will be treated as an association taxable as a corporation for U.S. federal income tax purposes. If, contrary to expectations, the Fund were treated as a single corporation for U.S. federal income tax purposes, the U.S. taxation of the Sub-Fund's income could be different.

The Sub-Fund will not hold Portfolio Investments directly but will instead participate in Portfolio Investments through direct and indirect interests in the Intermediate Vehicle. The Sub-Fund will generally (i) hold direct interests in the Intermediate Vehicle in respect of Portfolio Investments that do not generate income that is "effectively connected" with the conduct of a trade or business in the United States (such income, "**ECI**") and (ii) hold interests in the Intermediate Vehicle in respect of ECI-generating Portfolio Investments indirectly through one or more Delaware entities treated as corporations for U.S. federal income tax purposes (each such entity, not including (for the avoidance of doubt) the Intermediate Vehicle, a "**Delaware Intermediate Entity**").

The Investment Manager believes that the Intermediate Vehicle will be treated as a partnership for U.S. federal income tax purposes. Assuming that the Intermediate Vehicle is treated as a partnership for U.S. federal income tax purposes, the Intermediate Vehicle will generally not be subject to U.S. federal income tax. Rather, the Intermediate Vehicle's items of income, gain, loss, deduction and credit will be allocated to its partners, including the Sub-Fund and any Delaware Intermediate Entity, and the partners of the Intermediate Vehicle will generally be treated for U.S. federal income tax purposes as if they had derived their shares of those items directly. Generally, the Sub-Fund will be allocated such items in respect of non-ECI-generating Portfolio Investments, and the Delaware Intermediate Entities will be allocated such items in respect of ECI-generating Portfolio Investments.

The Sub-Fund will not be subject to U.S. federal income or withholding tax in respect of its allocable share of any gain derived by Intermediate Vehicle from the sale or other disposition of a Portfolio Investment if such gain is not treated as ECI. However, certain U.S.-source "fixed or determinable annual or periodical" payments to the Sub-Fund that do not constitute ECI (such payments, "**FDAP**"), such as U.S.-source dividends, will generally be subject to U.S. withholding tax at a rate of 30%. The Sub-Fund will be subject to U.S. federal income tax at the rate applicable to U.S. corporations (currently 21%) in respect of any ECI. In addition, the Sub-Fund will generally be subject to U.S. branch profits tax at a rate of 30% in respect of its "dividend equivalent amount," as defined in Section 884 of the Code, attributable to its share of certain of the Intermediate Vehicle's ECI.

Each Delaware Intermediate Entity will be subject to U.S. federal income tax at the rate applicable to U.S. corporations in respect of its entire net income, as well as applicable state and local income taxes. A Delaware Intermediate Entity will not be subject to U.S. branch profits tax. Rather, any dividends by a Delaware Intermediate Entity to the Sub-Fund will generally be subject to U.S. withholding tax at a rate of 30%.

Investment returns to investors in the Sub-Fund will be net of any U.S. federal, state and local income taxes payable by, or withheld from payments to, any Delaware Intermediate Entity and the Sub-Fund, as well as other expenses of any Delaware Intermediate Entity and the Sub-Fund. As a consequence, the after-tax returns to Shareholders may be substantially lower than the pre-tax return generated by the Portfolio Investments. The amount of distributions of Profit Share that the Intermediate Vehicle will make to the Investment Manager will not be affected by the taxes borne by any Delaware Intermediate Entity or the Sub-Fund.

The amount of taxes borne directly or indirectly by the Sub-Fund could be substantial. The Investment Manager will not have control over the investments and activities of the Portfolio Investments or certain vehicles through which they may be held and therefore cannot control the amount of income subject to taxation that the Sub-Fund will derive. The imposition of taxes on the Sub-Fund could have a substantial adverse effect on the investment return to Shareholders. Portfolio Investments acquired from U.S. persons will generally be organized primarily for investors that are U.S. persons subject to U.S. federal income tax. Such Portfolio Investments generally will not be managed with a view to minimizing the amount of their ECI or the amount of their U.S.-source FDAP that would be subject to U.S. withholding tax if recognized by the Sub-Fund.

Other Tax Risks

FATCA. In order for the Sub-Fund and any non-U.S. vehicles through which the Sub-Fund holds investments to qualify for an exemption from a 30% withholding tax on receipt of certain "withholdable payments" under FATCA, the Sub-Fund will generally be required, among other things, to collect and report to the Luxembourg tax authorities for transmission to the IRS information regarding certain Shareholders in the Sub-Fund (including, in the case of certain non-U.S. Shareholders that are entities, information generally relating to U.S. owners, if any). In addition, the Sub-Fund may be required to request that each non-U.S. Shareholder waive the application of any law that would otherwise prevent the reporting of the relevant information to the Luxembourg tax authorities or the IRS. Any Shareholder that fails to comply with the Sub-Fund's documentation requests may be charged with any resulting taxes or penalties imposed on the Fund, and Board of Directors may require such Shareholder to sell its Shares or may redeem such Shareholder's Shares.

Changes in Tax Law. Changes or modifications in existing judicial decisions or in the current positions of the IRS or any other tax authority and the passage of new legislation could substantially modify the tax treatment described in this Supplement, possibly on a retroactive basis. The Investment Manager cannot predict whether the U.S. Congress or any other legislative body will issue new tax legislation or whether the IRS or any other tax authority will enact new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on the Fund's investment performance.

Tax Audits. Under the rules applicable to U.S. federal audits of a partnership's U.S. federal tax returns, a partnership, such as the Intermediate Vehicle, is required to designate a "partnership representative" and, if the partnership representative is an entity, to appoint an individual to act on behalf of the partnership representative. The partnership representative (and, if applicable, such individual) has the authority to make all decisions with respect to any tax audit of, or other tax-related administrative or judicial proceeding with respect to, the partnership. Actions taken, and decisions made, by the partnership representative (and, if applicable, such individual) will be binding on the partnership and its partners. The Investment Manager will designate the partnership representative of the Intermediate Vehicle and, if applicable, the individual to act on behalf of the partnership representative. It is possible that (i) the person acting as the partnership representative of the Intermediate Vehicle, (ii) the individual, if any, appointed to act on behalf of such partnership representative or (iii) one or more of their respective affiliates will have an economic interest in the Intermediate Vehicle and therefore will have an interest in the outcome of any tax audit of, or other tax-related proceeding with respect to, the Intermediate Vehicle. A particular action or decision in the context of a tax audit or other tax-related proceeding (for example, how a particular item of income, gain, loss or deduction should be allocated) may favorably

affect the partnership representative, such individual or one or more of their respective affiliates, while adversely affecting all or certain other direct or indirect investors in the Intermediate Vehicle, including Shareholders.

Luxembourg Tax Considerations

As regards the taxation of the Sub-Fund and of the Investors, reference is made to the Luxembourg Tax section of the Prospectus, except that the Sub-Fund will not be subject to subscription tax thanks to its ELTIF status. As such, the Sub-Fund will not be liable for corporate income tax, municipal business tax, net wealth tax and subscription tax.

Conflicts of Interest

Introduction

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities, including, without limitation, financial advisory services, asset management activities, commercial banking and other lending activities, sponsoring and managing private investment funds and registered investment companies, engaging in broker-dealer activities and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley engages in activities where Morgan Stanley's interests or the interests of its clients may conflict with the interests of the Sub-Fund or the Shareholders, notwithstanding Morgan Stanley's participation as an investor therein. Investors should be aware that actual, apparent or potential conflicts of interest between Morgan Stanley and/or any of its clients, on the one hand, and the Sub-Fund, on the other hand, may exist and others may arise in connection with the operation of the Sub-Fund. Morgan Stanley's employees may also have interests separate from those of Morgan Stanley and the Sub-Fund. The discussion below enumerates certain actual, apparent and potential conflicts of interest relating to Morgan Stanley and the Sub-Fund and how the Sub-Fund will operate in the face of those conflicts. Conflicts of interest not described herein may also exist. There can be no assurance that conflicts of interest will be resolved in favor of the Sub-Fund or the Shareholders, and, in fact, they may not be. By acquiring a Share, each Shareholder will be deemed (i) to have acknowledged that such actual, apparent and potential conflicts of interests exist and will be resolved by Morgan Stanley in its sole discretion, but without any guarantee that any situation involving a conflict of interest will be resolved in favor of the Sub-Fund, and (ii) to have consented thereto, and to have waived any claim, to the extent permitted by applicable law, with respect to the existence or resolution of any such conflict of interest.

For the purposes of this section, (i) references to actions taken by Morgan Stanley include actions taken by it directly and/or indirectly through one or more of its affiliates, including, the Investment Manager and its affiliates, as the context dictates, (ii) the term "Underlying Vehicle" means any private pooled investment vehicle in which the Sub-Fund has made or is making an investment (including a Co-Investment), directly or indirectly, including by acquiring interests in such vehicle and/or making a capital commitment to such vehicle and (iii) the term "Portfolio Company" means any entity (other than an Underlying Vehicle) in which the Sub-Fund or an Underlying Vehicle has invested.

For the avoidance of doubt, the transactions and relationships, and their resulting conflicts of interest, described below will be deemed permitted under the terms of the Supplement and the Investment Management Agreement. Accordingly, no such transaction, relationship or resulting conflict of interest

will require the vote, consent or approval of the Shareholders. There can be no assurance, however, that any conflicts of interest will be resolved in a manner that is fair and equitable to the Sub-Fund. There can also be no assurance that similar conflicts will be resolved in a similar manner at any given point in time or over time.

Conflicts Between the Sub-Fund and Other Morgan Stanley Related Persons

Morgan Stanley and Its Morgan Stanley Related Persons. Morgan Stanley advises clients and sponsors, administers, manages and/or advises traditional and non-traditional investment funds and investment programs, accounts and businesses (collectively, together with any new or successor funds, programs, accounts or businesses, the "**Morgan Stanley Related Persons**"), including, without limitation, (i) several large, private investment funds that are not registered under the Investment Company Act (the "**Related Funds**"), including other funds or client accounts sponsored, managed or advised by the Investment Manager or any of its respective affiliates that have a substantially similar or comparable investment objective to the Sub-Fund, (ii) many publicly offered, registered investment funds in the United States and other countries, (iii) privately offered private investment funds that are registered investment companies under the Investment Company Act, and (iv) private investment funds for Morgan Stanley employees. The Morgan Stanley Related Persons have a wide variety of investment objectives and utilize a broad array of investment strategies that, in some instances, may overlap or conflict with those of the Sub-Fund. Morgan Stanley and/or some of its Morgan Stanley Related Persons have routinely made, and will continue to make, investments that fall within the investment objective of the Sub-Fund. For example, the Investment Manager and/or some of its affiliates currently provides advisory services to Related Funds, some of which are still in their investment periods. In addition, certain of the Morgan Stanley Related Persons focus primarily on investing in other funds, including Underlying Vehicles in which the Sub-Fund may invest. Morgan Stanley may also from time-to-time sponsor, manage or advise new or successor Morgan Stanley Related Persons that may compete with the Sub-Fund, and has no obligation to refrain from doing so. In addition, the personnel of the Investment Manager provide advisory services to various Morgan Stanley Related Persons (including, for example, the Related Funds), and the Team analyzes investments on behalf of all private equity Morgan Stanley Related Persons that the Investment Manager currently manages. Certain members of the Team and the Investment Committee may make investment decisions on behalf of both Morgan Stanley and such Morgan Stanley Related Persons, including Morgan Stanley Related Persons that have investment objectives and utilize investment strategies that overlap or conflict with those of the Sub-Fund.

These and related activities may present conflicts of interest between Morgan Stanley, Morgan Stanley Related Persons and/or members of the Team and/or the Investment Committee, on the one hand, and the Sub-Fund, the Shareholders, the Underlying Vehicles and/or the Portfolio Companies, on the other hand, including with respect to the allocation of investment opportunities, expenses attributable to the Sub-Fund and one or more other Morgan Stanley Related Persons, management time and services among the Sub-Fund and Morgan Stanley Related Persons. It should be noted that Morgan Stanley has, directly or indirectly, made large investments in certain of its Morgan Stanley Related Persons, and accordingly Morgan Stanley's investment in the Sub-Fund may not be a determining factor in the outcome of any such conflicts. Such activities also may disadvantage the Sub-Fund in certain situations if, for example, these investment activities limit the Sub-Fund's ability to invest in, dispose of or take other actions with respect to a particular Underlying Vehicle or Portfolio Company. Nothing herein precludes, restricts or in any way limits the activities of Morgan Stanley, including its ability to buy or sell interests in, or provide financing to, equity and/or debt instruments, funds or portfolio entities, for its own accounts or for the accounts of Morgan Stanley Related Persons or other clients.

Allocation of Investment Opportunities. As noted above, Morgan Stanley currently sponsors, manages, administers and advises, and may in the future sponsor, manage, administer and advise, Morgan Stanley Related Persons that have investment objectives and/or utilize investment strategies that are similar to, or overlap with, those of the Sub-Fund. As a result, certain investments may be appropriate for the Sub-Fund and also for other Morgan Stanley Related Persons.

Morgan Stanley currently invests, and plans to continue investing, on its own behalf and on behalf of its Morgan Stanley Related Persons, in a wide variety of investment opportunities globally. Morgan Stanley and its Morgan Stanley Related Persons will be permitted to invest in investment opportunities without making such opportunities available to the Sub-Fund beforehand. In addition, Morgan Stanley may offer investments that fall into the investment objective of a Morgan Stanley Related Person to such account or make such investment on its own behalf, even though such investment also falls within the investment objective of the Sub-Fund. Morgan Stanley may determine that an investment in an Underlying Vehicle or a Portfolio Company is appropriate for a particular client or for itself or its officers, directors, principals, members or employees, but that the investment is not appropriate for the Sub-Fund. The Sub-Fund may invest in opportunities that Morgan Stanley and/or one or more Morgan Stanley Related Persons has declined, and vice versa. In addition, certain of such Morgan Stanley Related Persons have or may have rights of first offer or other priority rights in respect of certain investments, including those that fall within the investment objective of the Sub-Fund, in which case Morgan Stanley will be required to offer an investment opportunity to such Morgan Stanley Related Persons before such opportunity may be offered to the Sub-Fund. For example, if the available capacity in an investment opportunity made available to the Investment Manager is less than the aggregate target allocation of all of its Morgan Stanley Related Persons being allocated the investment, any such Morgan Stanley Related Persons that is an attributable source for such investment will receive a priority allocation for its full target allocation. All of the foregoing may reduce the number of investment opportunities available to the Sub-Fund and may create conflicts of interest for Morgan Stanley in allocating investment opportunities among itself, the Sub-Fund and the other Morgan Stanley Related Persons. Notwithstanding the foregoing, subject to existing fiduciary obligations, during the Investment Period, the Investment Manager will use commercially reasonable efforts to allocate opportunities that are suitable for the Sub-Fund in a fair and equitable manner such that the Sub-Fund is not treated less favorably than any other Morgan Stanley Related Person.

Decisions as to the allocation of investment opportunities among the Sub-Fund and other Morgan Stanley Related Persons present numerous inherent conflicts of interest, particularly where an investment opportunity has limited availability. For example, Morgan Stanley manages assets for Morgan Stanley Related Persons for which it receives (and certain of its personnel may be entitled to a portion of) a performance-based allocation or fee, and at the same time it manages Morgan Stanley Related Persons that do not charge a performance-based fee, including the Sub-Fund. A conflict of interest may be created when such simultaneous management exists as Morgan Stanley, a portfolio manager or an investment committee member (including a member of the Team or the Investment Committee) may be incentivized to favor the Morgan Stanley Related Persons that charge a performance-based allocation or fee (or a higher performance-based allocation or fee than other Morgan Stanley Related Persons that also charge a performance-based allocation or fee) when making allocations of investment opportunities in light of the possibility of earning higher fees on those Morgan Stanley Related Persons that charge such fees. A similar conflict may arise in situations where there are differences in the investments of Morgan Stanley and/or its personnel in Morgan Stanley Related Persons. In order to address these and other allocation-related conflicts of interest, the Investment Manager has adopted allocation policies and procedures that were designed to require that all

investment allocation decisions made by the Team are being made fairly and equitably among Morgan Stanley Related Persons over time. These policies and procedures are subject to change from time to time in the Investment Manager's sole discretion and without notice to Shareholders, and will be available to Shareholders upon request.

Subject to existing fiduciary obligations and the terms of the Supplement, the Investment Manager will allocate opportunities among one or more of itself, its affiliates, the Sub-Fund and the Morgan Stanley Related Persons in its sole discretion, in accordance with their respective guidelines and based on such considerations as it deems appropriate, including, but not limited to the following: investment objectives, available capital, applicable concentration limits and other investment guidelines, goals and restrictions, mandatory minimum investment rights, existing allocations to similar strategies, portfolio diversification objectives, the overall risk profile of a portfolio, legal, tax and regulatory considerations and other considerations deemed relevant by the Investment Manager.

Shareholders should note that the conflicts of interest inherent in making such allocation decisions may not always be resolved to the advantage of the Sub-Fund. There can be no assurance that the Sub-Fund will have an opportunity to participate in certain opportunities that fall within the Sub-Fund's investment objectives.

Investments in Affiliated Underlying Vehicles. The Investment Manager will not make any investment for the Sub-Fund in any Underlying Vehicle established for third parties that directly or indirectly controls, is controlled by, or is under common control with, Morgan Stanley. In the event that Morgan Stanley acquires a business or an investment manager that is a manager of any Underlying Vehicle, the Investment Manager may need to cause the Sub-Fund to transfer or otherwise dispose of any investment in the Underlying Vehicle managed by such affiliated investment manager. Notwithstanding the previous two sentences, the Sub-Fund may invest short-term cash balances held by the Sub-Fund in shares of money market funds, one or more of which may be managed by an affiliate of the Investment Manager, upon the Investment Manager's determination that investments in such money market funds are in the best interests of the Sub-Fund and will be made on fair and reasonable terms. In such case, the investment manager of such money market fund will receive asset-based fees in respect of the Sub-Fund's investment. See "Conflicts Related to the Management, Structure and Terms of the Sub-Fund—Temporary Investments" below.

Morgan Stanley may have other relationships with Underlying Vehicles or managers of such Underlying Vehicles that may not result in Morgan Stanley directly or indirectly controlling, being controlled by, or being under common control with, such Underlying Vehicles or managers. These relationships may include distribution or intermediary relationships with Underlying Vehicles, strategic or principal investments in Underlying Vehicles or their managers, or other contractual relationships. To the extent permitted by applicable law, it is possible that the Sub-Fund may invest in one or more such Underlying Vehicles or with one or more such managers. In such circumstances, the management fee and the incentive fee or allocation charged by any such Underlying Vehicle or manager may still apply and Morgan Stanley may indirectly receive a portion of such fee without any offset against the Management Fee.

Investments with Morgan Stanley Related Persons. Conflicts of interest may arise in connection with certain transactions involving investments by the Sub-Fund in Portfolio Investments and investments by other Morgan Stanley Related Persons in the same Portfolio Investments. For example, in some cases, Morgan Stanley or a Morgan Stanley Related Person may co-invest with the Sub-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 Sub-Fund holds investments in the same Portfolio Company or an affiliate thereof that are different (including with respect to their relative seniority) from those held by Morgan Stanley or a Morgan Stanley Related Person, Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict, in particular if the Portfolio Company experiences financial difficulties. If a Portfolio Company in which the Sub-Fund has an equity or debt investment, and in which Morgan Stanley or a Morgan Stanley Related Person has an equity or debt investment elsewhere in the Portfolio Company's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Morgan Stanley Related Person, the Sub-Fund, certain of its other affiliates and the Portfolio Company. In that regard, actions may be taken for Morgan Stanley or such Morgan Stanley Related Person that are adverse to the Sub-Fund, or actions may or may not be taken by the Sub-Fund due to Morgan Stanley's or such Morgan Stanley Related Person's investment, which action or failure to act may be adverse to the Sub-Fund. In addition, it is possible that in a bankruptcy proceeding, the Sub-Fund's interest may be subordinated or otherwise adversely affected by virtue of Morgan Stanley's or such Morgan Stanley Related Person's involvement and actions relating to its investment.

In addition, it is possible that the Sub-Fund will make investments in Portfolio Investments in which one or more Morgan Stanley Related Persons have a pre-existing investment. In such cases, the amount available for investment by the Sub-Fund will be correspondingly reduced. In addition, the amount, timing, structuring or terms of the Sub-Fund's investment, including the type of security purchased, may differ from, and performance may be lower than, that of the Morgan Stanley Related Persons. Conflicts could arise after the Sub-Fund, on the one hand, and the Morgan Stanley Related Person, on the other hand, makes investments in the same Portfolio Investment with respect to its strategy, growth, and financing alternatives and with respect to the manner and timing of the exit by the Morgan Stanley Related Person from the investment as compared with the exit by the Sub-Fund.

The Sub-Fund will have no obligation to consider the interests of Morgan Stanley Related Persons or Morgan Stanley in determining (i) the Portfolio Investments and Underlying Vehicles in which to invest, (ii) how to structure its investments and (iii) what terms to negotiate with respect to its investments, nor will any Related Investments Accounts or Morgan Stanley have any obligation to consider interests of the Sub-Fund when making, structuring and negotiating its investments. Investment-related decisions made by Morgan Stanley and the Investment Manager on behalf of Morgan Stanley or any Morgan Stanley Related Person, as the case may be, may conflict with those made by the Investment Manager on behalf of the Sub-Fund. However, the Investment Manager may, when acting on behalf of the Sub-Fund, take into account existing or potential investments by Morgan Stanley or any Morgan Stanley Related Person in any potential Underlying Vehicle in structuring the Sub-Fund's investments in any Portfolio Investments in order to minimize conflicts of interest.

Agreements for the Sub-Fund and Other Clients. When investing in Portfolio Investments, the Investment Manager may have an opportunity to negotiate agreements which provide more advantageous investment terms for the Sub-Fund and its other clients than may be available to other investors in such Portfolio Investments. Although the Investment Manager endeavors to negotiate the same terms of behalf of all of its clients for which such a Portfolio Investment is deemed by the Investment Manager to be an appropriate investment, there may be situations where regulatory requirements, investment objectives, the timing of investments, a historical relationship with the manager of a Portfolio Investment, or other considerations result in differences among clients in the terms or the availability of the benefits of any such agreements. Furthermore, there may be

circumstances where the benefit provided cannot be exercised by all clients simultaneously or where one client directly or indirectly receives a greater benefit due to the participation by another client. Also, although the Investment Manager may negotiate terms which it considers more advantageous overall, concessions may be required to obtain such terms.

Allocation of Expenses. The Board of Directors, the Investment Manager and the Team and/or one or more of their respective affiliates will from time to time incur fees, costs and expenses on behalf of the Sub-Fund, on the one hand, Morgan Stanley Related Persons, on the other hand. Although attempts will be made to allocate such fees, costs and expenses on an equitable basis, such allocations will be determined by the Board of Directors and/or the Investment Manager and such matters will not necessarily be brought to the Shareholders for discussion or consultation.

To address the allocation of fees, costs and expenses, the Investment Manager has adopted certain policies and procedures intended to allocate expenses in the manner prescribed by the Investment Manager internal policies, including procedures to identify and correct misallocations due to error or revised allocation methodologies. However, there is no guaranty that such processes and procedures will identify any or all misallocations. To the extent misallocations are identified and the Sub-Fund had already paid such expenses, any reimbursements of incorrectly applied expenses will necessarily be applied at a later date and therefore the Sub-Fund could bear incorrect allocations for an unspecified period of time. Reimbursement to the Sub-Fund of any misallocated expenses will generally not include any interest on the principal amount of any misallocations. Although attempts will be made to allocate expenses on an equitable basis, such allocations will ultimately be based on the determinations of the Board of Directors and/or the Investment Manager. In some instances, such determinations will be subjective and reasonable minds will disagree.

Non-Public Information. It is expected that, in the course of providing investment management or other services to other clients, Morgan Stanley and its affiliates may come into possession of confidential or material non-public information regarding a Portfolio Investment or potential Portfolio Investment. If such information becomes available to Morgan Stanley or its affiliates, the Sub-Fund may be precluded (including by applicable law or internal policies or procedures) from pursuing a Portfolio Investment or exit opportunity with respect thereto, or restrictions may be imposed on an investment or exit opportunity with respect to such Portfolio Investment. In addition, as a result of Morgan Stanley's policies regarding disclosure of security holdings of Morgan Stanley and its Morgan Stanley Related Persons, the Sub-Fund may dispose of a Portfolio Investment sooner than desired or take another action with respect to such Portfolio Investment.

Morgan Stanley may also from time to time be subject to contractual "stand-still" obligations and/or confidentiality obligations that may restrict its ability to invest in certain Portfolio Investments on behalf of the Sub-Fund. In addition, Morgan Stanley may be precluded from disclosing such information to the Investment Manager or any member of the Team or the Investment Committee even in circumstances in which the information would benefit the Sub-Fund if disclosed. Therefore, the Investment Manager may not be provided access to material non-public information in the possession of Morgan Stanley that might be relevant to an investment decision to be made by the Sub-Fund, and the Sub-Fund may initiate a transaction or sell a Portfolio Investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the Team and the Investment Committee may be recused from certain Portfolio 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 Sub-Fund.

In addition, affiliates of the Investment Manager might own, and effect transactions in, securities of companies which the Investment Manager and/or its affiliates cover in investment research materials or to whom affiliates of the Investment Manager provide investment banking services or make a market in such securities, or in which the Investment Manager, its affiliates and their respective shareholders, members, managers, partners, directors, officers and employees have positions of influence or financial interests. As a result, such persons might possess information relating to such securities that is not known to the individuals of the Investment Manager responsible for managing the Sub-Fund's investments, or might be subject to confidentiality or other restrictions by law, contract or internal procedures. Such persons will not be required to, and might be prohibited from, sharing such information with the individuals of the Investment Manager responsible for managing the Sub-Fund's investments. The Investment Manager generally will not initiate transactions in securities of Underlying Vehicles with respect to which affiliates of the Investment Manager have controlling interests or are affiliated, but may do so as permitted under applicable law.

Transactions Between the Sub-Fund and Other Clients; Brokerage Activities. To the extent permitted by the applicable regulatory authorities, Morgan Stanley will be authorized to engage in "agency cross transactions," including those in the secondary markets, where Morgan Stanley acts as a broker for the Sub-Fund and for another person on the other side of the transaction. The Investment Manager may, in its discretion, subject to its determination in its discretion that such transactions are on arm's-length terms, and subject to applicable law, choose to execute trades or enter into derivative or hedging transactions for the Sub-Fund with Morgan Stanley, with Morgan Stanley acting as agent and charging a commission or acting as principal and retaining all profits it may realize as a result of such transactions. In any such event, Morgan Stanley may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions. Morgan Stanley may also act as agent for the Sub-Fund and other clients in selling publicly traded securities simultaneously. In such a situation, transactions will be bundled and clients, including the Sub-Fund, will receive proceeds from sales based on average prices received, which may be lower than the price that could have been received had the Sub-Fund sold its securities separately from Morgan Stanley's other clients. The Investment Manager will approve any such transactions in which Morgan Stanley acts as broker for, or as broker or advisor on the other side of a transaction with, the Sub-Fund, or bunches or aggregates transactions with others, only where it believes in good faith that such transactions are appropriate for the Sub-Fund. By acquiring a Share, a Shareholder will consent to all such transactions, along with the other transactions involving conflicts of interest described herein, to the fullest extent permitted by law. In addition, from time to time, the Investment Manager may seek to effect a purchase or sale of an investment between the Sub-Fund and one or more other Morgan Stanley Related Persons (for example, where such investment is bridged by a Morgan Stanley Related Person). It is also possible that the Sub-Fund may acquire a Portfolio Investment from a Morgan Stanley Related Person (for example, if the Morgan Stanley Related Person is a selling limited partner of an Underlying Vehicle in a GP-led Transaction). Such transactions generally will not require the consent of the Sub-Fund under applicable law and, accordingly, the Investment Manager may cause such transactions to be effected without such prior consent.

Independent Investments by Shareholders in Portfolio Investments. The Sub-Fund and the Morgan Stanley Related Persons may invest in Portfolio Investments in which Shareholders have an existing independent interest, and the Sub-Fund may be granted certain rights not held by such Shareholders. These rights could include, among other rights, reduced management fees or carried interest payments and the right to supplemental information and reporting. The interests of the Sub-Fund and the Morgan Stanley Related Persons may differ from the interests of such Shareholders, and

as a result, the Sub-Fund and Morgan Stanley Related Persons may take actions with respect to Portfolio Investments that are (a) different from such Shareholder's actions, or (b) adverse to the interests of such Shareholder. For example, the Sub-Fund may purchase, directly or indirectly, the interests of such Shareholders in Underlying Vehicles or Portfolio Companies as part of a Portfolio Investment and, in such case, such Shareholders may engage in transactions in which they incur transaction costs without achieving any change in investment exposure.

Conflicts Relating to Other Activities of Morgan Stanley

Morgan Stanley's Investment Banking Activities. Morgan Stanley advises clients on a variety of mergers, acquisitions and financing transactions. Morgan Stanley may act as an advisor to clients, including other investment funds that may compete with the Sub-Fund or the Underlying Vehicles, with respect to investments in securities or obligations of Portfolio Companies in which such funds may invest. In particular, Morgan Stanley may advise private equity sponsors with respect to secondaries transactions. Morgan Stanley may give advice and take action with respect to any of its clients or proprietary accounts, including Morgan Stanley Related Persons, that may differ from the advice given to, or may involve an action of a different timing or nature than the action taken by, the Sub-Fund. Morgan Stanley may give advice and provide recommendations to persons competing with the Sub-Fund, the Underlying Vehicles and/or the Portfolio Companies that are contrary to the interests of the Sub-Fund, the Underlying Vehicles and/or the Portfolio Companies.

Where Morgan Stanley is advising a client on the sale of its business or one of its subsidiaries, the Sub-Fund generally will not be permitted to bid for, or acquire, such business or subsidiary, unless Morgan Stanley believes that taking such action is in the Sub-Fund's best interest and that appropriate measures have been taken to mitigate conflicts of interest inherent in such a transaction. Morgan Stanley is under no obligation to pursue, or to make any determination regarding whether or not to cause the Sub-Fund to participate in, any such transaction (for the avoidance of doubt, including any secondaries transaction for which Morgan Stanley serves as advisor). If Morgan Stanley causes the Sub-Fund to pursue such a transaction, there can be no guarantee that the Sub-Fund will be able to participate. If Morgan Stanley has been retained to advise a client on the acquisition of a business or assets of, or a merger with, another entity, the Sub-Fund generally will not be permitted to pursue the acquisition transaction independently. From time to time, Morgan Stanley's investment banking professionals may introduce to the Sub-Fund or a Morgan Stanley Related Person a client that requires financing to complete an acquisition transaction. If the Sub-Fund pursues the resulting investment, Morgan Stanley could have a conflict in its representation of the client over the price and terms of the Sub-Fund's investment. Furthermore, the Sub-Fund generally will not directly purchase securities being underwritten or privately placed by Morgan Stanley, thereby limiting the ability of the Sub-Fund to make such investments unless Morgan Stanley believes that taking such action is in the fund's best interest and that appropriate measures have been taken to mitigate conflicts of interest inherent in such an investment. Morgan Stanley is under no obligation to pursue, or to make any determination regarding whether or not to cause the Sub-Fund to participate in, any such investment (for the avoidance of doubt, including any investment in a continuation fund for which Morgan Stanley serves as placement agent). If Morgan Stanley causes the Sub-Fund to pursue such an investment, there can be no guarantee that the Sub-Fund will be able to participate. To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, the Investment Manager's flexibility in making Portfolio Investments, on behalf of the Sub-Fund, in such companies owned by such companies undergoing restructuring may be limited.

Morgan Stanley could provide investment banking services to competitors of Underlying Vehicles or Portfolio Companies, in which case it will take appropriate steps to safeguard the confidential information of each client. Morgan Stanley is under no obligation to share and may not share any such information with the Sub-Fund, the Board of Directors or the Investment Manager. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Sub-Fund's investment and may also result in a conflict with respect to the allocation of investment banking resources to Underlying Vehicles or Portfolio Companies. In addition, Morgan Stanley could perform a significant portion of the investment banking services used by one or more Underlying Vehicles or Portfolio Companies. In such situations, Morgan Stanley generally will receive fees based on the prevailing market for such services upon the consummation of the investment banking transaction for which it was retained. Morgan Stanley will not share these fees with the Sub-Fund, any of the Shareholders, or any Morgan Stanley Related Person. Morgan Stanley may be paid fees from Underlying Vehicles or Portfolio Companies before the Sub-Fund receives a return on its investment in the Underlying Vehicle or Portfolio Company, and such fees generally will not vary based on the success of the Sub-Fund's investment in the Underlying Vehicle or the Portfolio Company. Furthermore, such investment banking and other financial services could affect the performance of one or more Underlying Vehicles or Portfolio Companies. See "—Compensation for Co-Services" below.

Morgan Stanley may make a market, and conduct proprietary trading activities, in securities of Underlying Vehicles or Portfolio Companies for its own account and for the accounts of its clients. Such activities will be conducted independently of the Sub-Fund and could affect the value of securities held by the Sub-Fund. If Morgan Stanley underwrites debt securities or arranges a loan facility for an Underlying Vehicle or a Portfolio Company, it could acquire a significant portion of such debt for Morgan Stanley's own account. Morgan Stanley typically makes a market in securities and loans which it underwrites, which could also cause Morgan Stanley to acquire debt of an Underlying Vehicle or a Portfolio Company. In such a situation, a conflict could develop between Morgan Stanley as creditor and the Sub-Fund as equity holder, especially if the Underlying Vehicle or a Portfolio Company experiences financial difficulties.

Morgan Stanley's Prime Brokerage Activities. Certain Morgan Stanley affiliates may provide brokerage and other services from time to time to Underlying Vehicles and/or one or more other accounts or entities managed by the managers of Underlying Vehicles or their affiliates in compliance with applicable law. The Underlying Vehicles may, to the extent permissible and in compliance with applicable law, sell securities to, or purchase securities from, Morgan Stanley affiliates as counterparties. Morgan Stanley affiliates may create, write, or issue derivative instruments with respect to which the counterparty is an Underlying Vehicle or the performance of which is based on the performance of an Underlying Vehicle. Morgan Stanley affiliates may keep any profits, commissions, and fees accruing to them in connection with their activities for themselves and other clients, and the Management Fee payable by the Sub-Fund to the Investment Manager will not be reduced thereby. The Underlying Vehicles will pay market rate commissions or fees in respect of such transactions. See "—Compensation for Co-Services" below.

A Morgan Stanley affiliate, as prime broker to an Underlying Vehicle, may be a secured lender to the Underlying Vehicle and, as such, may protect its own interests by foreclosing on such Underlying Vehicle's assets, notwithstanding that such foreclosure may be adverse to the interests of investors in the Underlying Vehicle, including the Sub-Fund. Morgan Stanley, as prime broker also may be privy to non-public information about the performance of the Underlying Vehicle which it generally would not disclose to the Investment Manager or any of the Shareholders without express permission to do so.

Morgan Stanley's Trading and Principal Investing Activities. Morgan Stanley, in addition to the investments by MSPES funds of funds, invests directly in private equity through other divisions, including the Morgan Stanley Real Estate Funds, Morgan Stanley Private Equity Asia Funds, Morgan Stanley Capital Partners Funds, and Morgan Stanley Infrastructure Partners Funds. The Investment Manager has elected not to invest in any Morgan Stanley direct private equity funds as part of the Sub-Fund's portfolio.

Morgan Stanley generally will conduct its sales and trading businesses, publish research and analysis, and render investment advice without regard for the Sub-Fund's holdings, although these activities could have an adverse impact on the value of one or more of the Sub-Fund's investments or could cause Morgan Stanley to have an interest in one or more investments that is different from, and potentially adverse to, that of the Sub-Fund. The trading activities of Morgan Stanley, its Morgan Stanley Related Persons and their customers in publicly traded securities and the research recommendations of Morgan Stanley with respect to publicly traded securities may differ from, or be inconsistent with, the interests of and activities which are undertaken for the account of the Sub-Fund in such securities or related securities. For example, the Sub-Fund may dispose of securities at a time when Morgan Stanley research is recommending a purchase of such securities. Furthermore, if Morgan Stanley Related Persons invest in securities of publicly traded companies which are actual or potential Portfolio Companies, the trading activities of those Morgan Stanley Related Persons may differ from or be inconsistent with activities which are undertaken for the account of the Sub-Fund in such securities or related securities. This may occur because these Morgan Stanley Related Persons hold public and private debt and equity securities of a large number of issuers in which the Sub-Fund may invest or from whom Portfolio Investments may be acquired. The Investment Manager believes that the participation of Morgan Stanley in the capital markets is a significant factor in ensuring the Investment Manager's continuing access to new transactions for investment by the Sub-Fund. The Investment Manager will make its own independent determination with respect to the investment activities of the Sub-Fund, and the Sub-Fund may not pursue a Portfolio Investment as a result of such trading and investment activities by other Morgan Stanley affiliates.

Notwithstanding anything to the contrary herein, Morgan Stanley's sales and trading, financing, and principal investing businesses (whether or not specifically identified as such) will not be required to offer any investment opportunities to the Sub-Fund. These businesses may encompass, among other things, principal trading activities as well as principal investing activities. These businesses have acquired or invested in, and in the future may acquire or invest in, minority and/or majority control positions in equity or debt instruments of diverse public and/or private companies. Such activities may put Morgan Stanley in a position to exercise contractual, voting, or creditor rights, or management or other control with respect to securities or loans of Portfolio Companies or other issuers, and in these instances, Morgan Stanley may, in its discretion, act to protect its own interests or interests of clients, and not the interests of the Sub-Fund. Subject to the investment limitations set forth in the Supplement, the Sub-Fund may purchase from or sell assets to, or make investments in, companies in which Morgan Stanley has or may acquire an interest, including as an owner, creditor, or counterparty.

Morgan Stanley's Lending Activities. Morgan Stanley is engaged in the business of making, underwriting and syndicating senior and other loans to corporate and other borrowers, which, to the extent permitted by applicable law, including the applicable restrictions of the Volcker Rule, may include Underlying Vehicles and Portfolio Companies. To the extent permitted by applicable law, including the applicable restrictions of the Volcker Rule, the Sub-Fund may invest in transactions in which Morgan Stanley acts as arranger and receives fees. Any fees earned by Morgan Stanley as an administrative

agent or initial arranger of loans will not be shared with the Sub-Fund. If the Sub-Fund were to purchase securities or loans from Morgan Stanley, or Morgan Stanley were to receive a fee from an issuer for placing securities or loans with the Sub-Fund, certain conflicts of interest, in addition to the receipt of fees, would be inherent in the transaction. For example, Morgan Stanley as administrative agent or arranger may be exposed to liabilities to purchasers of loans and others in connection with the services it renders in such capacities and its defense of such liabilities would result in it taking actions in its own interests that may be contrary to the interests of purchasers of loans, which may include the Sub-Fund. Moreover, the interests of one of Morgan Stanley's clients with respect to a borrower of a loan in which the Sub-Fund has an investment may be adverse to the best interests of the Sub-Fund. In conducting the foregoing activities, Morgan Stanley will be acting for its other clients and will have no obligation to act in the best interests of the Sub-Fund.

Morgan Stanley's ability to serve as a lender or counterparty to the Sub-Fund, Underlying Vehicles and Portfolio Companies is likely to be restricted by the Volcker Rule, as described in "Certain Investment Considerations and Risk Factors—Risks Related to the Structure and Terms of the Sub-Fund Regulation as a Bank Holding Company and the Volcker Rule." To the extent permitted by applicable law, including the applicable restrictions of the Volcker Rule, leverage may be provided to the Sub-Fund, Underlying Vehicles or Portfolio Companies by Morgan Stanley, and Morgan Stanley may provide interim acquisition financing or other forms of credit for the Sub-Fund, Underlying Vehicles or Portfolio Companies. Although the Investment Manager will approve such transactions only on terms as the Investment Manager determines in good faith to be fair and reasonable to the Sub-Fund, it is possible that Morgan Stanley's interests as a lender or other counterparty in any of those circumstances could be in conflict with those of the Sub-Fund and the interests of the investors. The Investment Manager, which is responsible for pursuing the Sub-Fund's investment objectives, is an affiliate of Morgan Stanley and may encounter conflicts where, for example, a decision regarding the acquisition, holding or disposition of a Portfolio Investment is considered attractive or advantageous for the Sub-Fund yet poses a risk of loss of principal to Morgan Stanley as lender.

Morgan Stanley's Restructuring Activities. Morgan Stanley may be engaged to act as financial advisor to financially troubled companies in which the Sub-Fund, an Underlying Vehicle or a Portfolio Company holds an investment, including in connection with the restructuring of their capital structures or in connection with their bankruptcy. Morgan Stanley's compensation for such activities generally is 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.

Morgan Stanley's Commodities and Global Structured Products Businesses. Morgan Stanley's Commodities and Global Structured Products businesses will not be required to offer any investment opportunity to the Sub-Fund. These businesses include or may include in the future (but are not limited to) the ownership (whether directly or indirectly, in whole or in part), financing, hedging, trading, production, storage and delivery of various commodities and commodity-related products and commodity-related assets, including, without limitation, energy (power and capacity), coal, emissions, oil and its byproducts, natural gas, metals and minerals, agricultural products, wind-powered energy, renewables, biodiesels, shipping, transmission, port and storage facilities, conversion facilities or any associated land or other facilities and distribution or generation, or structured tax-advantaged transactions primarily on behalf of Morgan Stanley.

Transactions by Morgan Stanley. Morgan Stanley may pursue acquisitions of assets and businesses and identification of investment opportunities in connection with its existing businesses or a new line of business without first offering such opportunity to the Sub-Fund. Such an opportunity could include a business that competes with the Sub-Fund, an Underlying Vehicle or a Portfolio Company in which the Sub-Fund or an Underlying Vehicle has invested or proposes to invest.

From time to time, Morgan Stanley may pursue the development of investment managers who will manage private investment funds that would otherwise qualify as investments for the Sub-Fund. Due to conflicts of interest involved and in accordance with applicable law, the Investment Manager will not make any investment for the Sub-Fund in any Underlying Vehicle that is managed by a manager that directly or indirectly controls, is controlled by, or is under common control with, the Investment Manager (other than in connection with investment of short-term cash balances, as described under "Conflicts Related to the Management, Structure and Terms of the Sub-Fund—Temporary Investments" below). Accordingly, there may be investments that are unavailable to the Sub-Fund due to the manager's affiliation with Morgan Stanley. See "—Investments in Affiliated Underlying Vehicles" above.

Compensation for Co-Services. It is contemplated that Morgan Stanley may seek to perform investment banking, prime brokerage, placement agent, and other financial services (including acting as lender) for, and will in such cases expect to receive customary compensation from, Underlying Vehicles, the sponsors of Underlying Vehicles, Portfolio Companies, the Sub-Fund or other parties in connection with transactions related to such investments or otherwise. For example, the Sub-Fund may pay Morgan Stanley an investment banking, finders or other fee in connection with Portfolio Investments. Such compensation could include financial advisory fees, finder's fees, fees in connection with restructurings and mergers and acquisitions, as well as underwriting or placement fees, financing or commitment fees, and brokerage fees. Investment banking and other financial services compensation will not be shared with the Sub-Fund or its Shareholders and may be received before the Sub-Fund realizes a return on its investment. Morgan Stanley may have an incentive to cause investments to be made, managed, or realized with a view to furthering the interests of a client (other than the Sub-Fund or its Shareholders) or to earning such compensation. Such investment banking and other financial services could affect the performance of one or more Underlying Vehicles or Portfolio Companies.

Principal Transactions. While the Sub-Fund does not intend to engage in "principal transactions," within the meaning of Section 206(3) of the Advisers Act, with Morgan Stanley entities or affiliates, the Sub-Fund may engage in certain principal transactions with Morgan Stanley in certain limited circumstances where the Investment Manager determines that such transactions would be in the best interests of the Sub-Fund. Principal transactions will be completed in compliance with applicable law and regulation. In analyzing such principal transactions, the Investment Manager will have a conflict between acting in the best interests of the Sub-Fund and assisting itself or its affiliates by selling or purchasing a particular security.

Other Affiliate Transactions. The Sub-Fund may borrow money from multiple lenders, including Morgan Stanley, from time to time as provided for by the Supplement and as permitted by applicable law (including both the Volcker Rule and, with respect to Morgan Stanley Bank, N.A., Section 23A and Section 23B of the Federal Reserve Act). In addition, the Sub-Fund, Underlying Vehicles and Portfolio Companies also may participate as a counterparty with or to Morgan Stanley or an investment vehicle formed by it in connection with currency and interest rate hedging, derivatives (including swaps and forwards of all types), obtaining leverage and other transactions. By acquiring a Share, each Shareholder will consent to all such counterparty transactions with Morgan Stanley to the fullest extent

permitted by law. Although the Investment Manager will approve such transactions only on terms that are determined by the Investment Manager in good faith to be appropriate for the Sub-Fund, it is possible that Morgan Stanley's interests as a lender or counterparty could be in conflict with those of the Sub-Fund. The Investment Manager , which is responsible for pursuing the Sub-Fund's investment objectives, is under common control with Morgan Stanley and may encounter conflicts where, for example, a decision regarding the acquisition, holding or disposition of an investment is considered attractive or advantageous for the Sub-Fund yet poses a risk of economic loss to Morgan Stanley as lender or counterparty. If such conflicts arise, potential investors should be aware that Morgan Stanley may act to protect its own interests as a lender or counterparty ahead of the Sub-Fund's investment interests. It should be noted that Morgan Stanley's ability to serve as a lender or counterparty to the Sub-Fund and Portfolio Companies is likely to be restricted by the Volcker Rule, as described in "Certain Investment Considerations and Risk Factors—Risks Related to the Structure and Terms of the Sub-Fund—The Volcker Rule."

Morgan Stanley's Investment Management Activities. Morgan Stanley conducts a variety of investment management activities, including sponsoring investment funds registered under the Investment Company Act subject to its rules and regulations. Such activities also include managing assets of pension funds that are subject to federal pension law and its regulations. Such activities are generally restricted to investments in publicly traded securities, but may present conflicts if the Sub-Fund pursues an investment in, or if one of the Sub-Fund's portfolio entities seeks to acquire or merge with, a public company in which Morgan Stanley's investment management clients and investment companies have previously invested.

Conflicts Related to the Management, Structure and Terms of the Sub-Fund

Management of the Sub-Fund. Personnel of the Investment Manager or its affiliates (including the members of the Team and members of the Investment Committee) and the Board of Directors generally will devote such time and attention as the Investment Manager, such affiliates and the Board of Directors, in their sole discretion, deem necessary to carry out the operations of the Sub-Fund effectively. Officers and employees of the Investment Manager and its affiliates will also work on other projects for Morgan Stanley and its other affiliates (including other clients served by the Investment Manager and its affiliates). Non-executive directors of the Fund are not required to devote their full time and attention to the business of the Fund and its Sub-Funds. They are expected to be engaged in other businesses and be concerned or interested in or act as directors or officers of other companies or entities, including entities affiliated with the Fund, Morgan Stanley, the Investment Manager, or any affiliate of the foregoing. As a result, conflicts of interest may arise in allocating management time, services or functions among such affiliates. The agreements and arrangements among Morgan Stanley, the Sub-Fund, and the officers and employees of the Investment Manager have been and will be established by Morgan Stanley and may not be the result of arm's length transactions. Certain members of the Team, including senior members thereof, are not expected to be involved in each aspect of the Sub-Fund, including in evaluating and reviewing certain Portfolio Investments made by the Sub-Fund. Morgan Stanley (including the Investment Manager, members of the Team and members of the Investment Committee) is not precluded from conducting activities unrelated to the Sub-Fund.

Profit Share and Management Fee. The Profit Share and the Management Fee borne by the Sub-Fund have not been established on the basis of an arm's length negotiation between the Sub-Fund, on the one hand, and the Investment Manager, on the other hand. However, the Investment Manager and the AIFM believe that the Management Fee and the terms of the Profit Share generally reflect prevailing market terms. In addition, the existence of the Profit Share may create an incentive for the Investment

Manager to cause the Sub-Fund to make more speculative investments than it would otherwise make in the absence of such performance-based compensation.

The method of calculating the preferred return and the Profit Share may result in conflicts of interest between the Investment Manager, on the one hand, and the Shareholders, on the other hand, with respect to the management and disposition of Portfolio Investments, including the timing and sequence of such dispositions. In calculating the Profit Share and making corresponding distributions, the Board of Directors (in consultation with the Investment Manager) may be required to value certain of the Sub-Fund's unrealized Portfolio Investments. In addition, the Investment Manager generally will value any securities being distributed in-kind to investors in order to calculate the Profit Share. If the valuations conducted by the Investment Manager are incorrect, the amount and the timing of payment of Profit Share could be incorrect.

In addition, the Investment Manager is an entity that is treated as a partnership for U.S. federal income tax purposes, and it is expected that the personnel of the Investment Manager will hold direct or indirect equity interests in the Investment Manager. In general, the character of the income allocated to the Investment Manager by the Intermediate Vehicle in respect of distributions of Profit Share will flow through to the owners of the Investment Manager. However, while gain from the sale of a capital asset is generally treated as long-term capital gain for U.S. federal income tax purposes if the asset has been held for more than one year at the time of disposition, gain that is allocated in respect of distributions of Profit Share will generally be treated as long-term capital gain only if the relevant asset has been held for more than three years at the time of disposition. Long-term capital gain recognized by an individual is subject to U.S. federal income tax at rates that are substantially lower than the rates applicable to ordinary income and short-term capital gain.

As a result, conflicts of interest will arise between the interests of the direct and indirect owners of the Investment Manager, on the one hand, and the interests of the Shareholders, on the other hand, in connection with investment-related determinations. Specifically, the direct or indirect owners of the Investment Manager will have an incentive to cause the Intermediate Vehicle to hold an investment for more than three years, even if a favorable disposition opportunity arises prior to that time, or to make other decisions intended to mitigate the consequences of the rule applicable to allocations of gain in respect of distributions of Profit Share. Prospective investors should expect that the investment determinations for the Sub-Fund will be influenced, in part, by the U.S. tax treatment of capital gain allocated in respect of the distributions of Profit Share.

Valuation Analysis Undertaken by the Investment Manager. The Investment Manager may assist the AIFM in performing valuations for the Sub-Fund. In identifying certain potential Portfolio Investments for the Sub-Fund, the Investment Manager may seek to purchase interests at a discount to what it believes to be the fair market value of the interests. In order to determine the fair market value of an interest, the Investment Manager expects to analyze, among other things, any value provided by the manager of the applicable Underlying Vehicle, the Portfolio Company or, in certain situations, the seller of the interests, comparable transactions and publicly traded comparisons and may utilize other analytical methods. However, given the nature of certain Portfolio Investments, there is no guarantee that any such analysis undertaken by the Investment Manager will reflect a value that is a discount to the fair market value that would be determined by a third party. It is possible that a third party would conclude that the fair market value of the interest is the amount actually paid by the Sub-Fund or a lesser amount, rather than the Investment Manager's belief as to the fair market value of the interest. In addition, since the Sub-Fund generally intends to retain the interests, fair market value is not intended

to reflect the value at which the Sub-Fund could sell the interest. Investors should be aware that there may exist a conflict of interest to the extent that a Morgan Stanley entity is performing valuations for the Sub-Fund.

Placement Fees. Broker-dealers that are affiliates of Morgan Stanley may act as placement agents to assist in the placement of Shares. The amount of the placement fee, if applicable, in respect of a Shareholder will generally be described in such Shareholder's point of sale letter or equivalent communication if a placement agent assists in the placement of Shares. Depending on the size of a Shareholder's Subscription Capital Amount, the placement fee payable to the placement agent, if any, may be borne by the Investment Manager. If not borne by the Investment Manager, the placement fee, if any, will be borne by the Shareholder. To the extent the Shareholder is required to pay a placement fee, such Shareholder will pay the placement fee directly to the placement agent and the amount of such fee will be in addition to a Shareholder's Subscription Capital Amount and will not constitute a capital contribution made by the Shareholder to the Sub-Fund or part of the assets of the Sub-Fund. Such placement agents may also be paid additional compensation in connection with the servicing of the Shares, and such amounts may be collected by the Sub-Fund and borne by the Shareholders placed by such placement agents. In addition, selected affiliated and unaffiliated brokers, dealers or other financial intermediaries ("**Intermediaries**") may be paid additional compensation in connection with the sale, distribution, retention, and/or servicing of the Shares, the cost of which may be borne by the Investment Manager or one of its affiliates out of its own funds and/or the Board of Directors. The placement agents or other Intermediaries may in their sole discretion waive the placement fees or other amounts payable by or in respect of a Shareholder, including, without limitation, a Shareholder that is an employee or affiliate of Morgan Stanley and/or the Investment Manager.

The potential for the placement agents or other Intermediaries to receive compensation in connection with a Shareholder's investment in the Sub-Fund presents such placement agents and Intermediaries with a potential conflict of interest in recommending that such Shareholder purchase Shares in the Sub-Fund. For example, the prospect of receiving, or the receipt of, additional compensation as described above by the placement agents or other Intermediaries may provide such placement agents and Intermediaries and/or their salespersons with an incentive to favor sales of the Shares 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 or the Intermediary 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 relating to the Shares. Morgan Stanley employees involved in the marketing and placement of the Shares are not acting as tax, financial, legal or accounting advisors to potential investors in connection with the offering of the Shares. Potential investors must independently evaluate the offering and make their own investment decisions.

Temporary Investments. To more efficiently invest short-term cash balances held by the Sub-Fund, the Investment Manager may invest such balances on an overnight "sweep" basis in shares of one or more money market funds or other short-term vehicles. To the extent permitted by applicable law, including the Volcker Rule, the investment adviser to these money market funds or other short-term vehicles may be affiliated with the Board of Directors. In such a case, the affiliated investment adviser will receive asset-based fees in respect of the Sub-Fund's investment (which will reduce the net return realized by the Sub-Fund). The Investment Manager nonetheless believes these sweep investments will be in the best interests of the Sub-Fund and will be made on fair and reasonable terms.

Co-Investment by the Sub-Fund. The Board of Directors may determine, in its sole discretion (in consultation with the Investment Manager), that following the allocation of investment opportunities among the Sub-Fund and other Morgan Stanley Related Persons that there is excess capacity with respect to a particular Portfolio Investment or related opportunity. The Board of Directors expects such excess capacity to exist from time to time, although there can be no assurance in this regard. In such event, the Board of Directors may, in its sole discretion (in consultation with the Investment Manager), and expects to, allow certain Shareholders and other persons, including without limitation, Morgan Stanley and Morgan Stanley Related Persons, to co-invest alongside the Sub-Fund with respect to a Portfolio Investment. Any such co-investment opportunity is referred to herein as an "**Excess Co-Investment Opportunity**."

The Board of Directors has broad discretion (in consultation with the Investment Manager) in determining to whom and in what relative amounts to allocate Excess Co-Investment Opportunities. Investing in the Sub-Fund does not entitle any Shareholder to allocations of Co-Investment Opportunities, unless otherwise agreed between the Investment Manager and such Shareholder in writing. Recipients of Co-Investment Opportunities may include certain Shareholders and not others (including others that may be similarly situated to those receiving allocations of Co-Investment Opportunities), Morgan Stanley Related Persons and clients or potential clients of Morgan Stanley, employees of Morgan Stanley, or funds or accounts established for any such persons. Without limiting the generality of the foregoing, the Board of Directors (in consultation with the Investment Manager) may allocate co-investment capacity to any person in its sole discretion. To the extent offered to one or more Shareholders, any such Co-Investment Opportunities may or may not be offered in proportion to the Subscription Capital Amount of such Shareholders.

In making decisions with respect to the allocation of Co-Investment Opportunities, the Board of Directors (in consultation with the Investment Manager) may take into account any factors that it determines relevant in its sole discretion, including, but not limited to, the following: (i) a potential recipient's relationship with Morgan Stanley, if any; (ii) a Shareholder's expressed interest in Co-Investment Opportunities; (iii) the size of a potential recipient's investment or proposed investment, if any, in the Sub-Fund; (iv) the size of a potential recipient's investment or proposed investment, if any, in Morgan Stanley Related Persons; (v) whether such potential recipient is more likely to invest in the Sub-Fund or a Morgan Stanley Related Person as a result of being offered Co-Investment Opportunities; (vi) whether a potential recipient has a history of participating in Co-Investment Opportunities with Morgan Stanley; (vii) whether the Board of Directors (in consultation with the Investment Manager) believes the potential recipient is able to execute a transaction in the required timeframe or is willing to bear expenses associated with a potential transaction that is not consummated; (viii) whether a potential recipient has demonstrated, or has the potential to demonstrate, a long-term and/or continuing commitment to the potential success of Morgan Stanley, the Sub-Fund and/or the Morgan Stanley Related Persons; (ix) whether such potential recipient is able to assist or provide a strategic or other benefit to the Sub-Fund and/or Morgan Stanley in connection with the potential transaction or otherwise; (x) whether the potential recipient is expected to provide expertise or other advantages in connection with a particular Portfolio Investment; (xi) the opportunity for the Investment Manager or its affiliates to earn fees or carried interest or other performance compensation with respect to the relevant Excess Co-Investment Opportunity; (xii) agreements entered into with certain persons (including, potentially, Shareholders) that provide them with certain co-investment rights; and (xiii) a potential recipient's impact on tax, regulatory, legal and similar considerations affecting the relevant Excess Co-Investment Opportunity.

The Investment Manager may enter into side letters regarding co-investment capacity. The Board of Directors expects to limit the Shareholders that may be offered Co-Investment Opportunities to Shareholders having Subscription Capital Amounts in excess of thresholds determined by the Board of Directors (in consultation with the Investment Manager). Each Shareholder should understand that, except to the extent it has entered into an agreement with the Board of Directors that specifically provides such Shareholder with co-investment capacity, such Shareholder will have no right to participate in any Co-Investment Opportunities and should have no expectation that it will be offered such a right.

Persons who participate in one or more Co-Investment Opportunities (each, a "**Co-Investor**") may be required to make their investments through vehicles formed in connection with such Co-Investment Opportunities (any such vehicle, a "**Co-Investment Vehicle**"), or may invest directly in the relevant investment. For the avoidance of doubt, references herein to "Co-Investors" include any Co-Investment Vehicle through which persons participating in Co-Investment Opportunities invest.

The terms of any Excess Co-Investment Opportunity will be established by the Board of Directors (in consultation with the Investment Manager), subject to acceptance by each potential Co-Investor, and may include preferable terms and conditions offered only to one or more Co-Investors, and not other Co-Investors. The Investment Manager or its affiliates may or may not charge Co-Investors a management fee, carried interest, other performance compensation or other compensation with respect to an Excess Co-Investment Opportunity. Investors' returns with respect to Co-Investment Opportunities may exceed Shareholders' distributions with respect to the Sub-Fund, particularly for investors in Co-Investment Opportunities whose investment will not be subject to any (or will be subject to reduced) management fees, carried interest or similar compensation payable to the Investment Manager or its affiliates.

Co-Investors are expected to either acquire Portfolio Investments (directly or indirectly) in conjunction with the acquisition by a Morgan Stanley Related Person or by acquiring them (directly or indirectly) from a Morgan Stanley Related Person within a time period determined by the Investment Manager in its sole discretion following the closing of such Portfolio Investments. The price at which Co-Investors acquire a Portfolio Investment will be determined by the Investment Manager in its sole discretion, and may be based on the net asset value of such Portfolio Investment at the time it is acquired by the Co-Investor or the original cost of such Portfolio Investment, which may be adjusted by the Investment Manager in its sole discretion to take into account interest at such rate as the Investment Manager determines in its sole discretion or for events occurring between the date of the purchase of the Portfolio Investment and the sale to the Co-Investor.

Co-Investors are expected to either acquire Portfolio Investments (directly or indirectly) in conjunction with the acquisition by the Sub-Fund or by acquiring them (directly or indirectly) from the Sub-Fund within a time period determined by the Board of Directors in its sole discretion (in consultation with the Investment Manager) following the closing of such Portfolio Investments. The price at which Co-Investors acquire a Portfolio Investment from the Sub-Fund will be determined by the Board of Directors in its sole discretion (in consultation with the Investment Manager), and may be based on the net asset value of such Portfolio Investment at the time it is acquired by the Co-Investor or the original cost of such Portfolio Investment to the Sub-Fund, which may be adjusted by the Board of Directors in its sole discretion (in consultation with the Investment Manager) to take into account interest at such rate as the Board of Directors determines in its sole discretion (in consultation with the Investment Manager) or for

events occurring between the date of the Sub-Fund's purchase of the Portfolio Investment and the sale to the Co-Investor.

Co-Investors and potential Co-Investors in one or more specific investments (including persons who co-invest, or are approached to co-invest, with some regularity) will generally not be required to share in broken-deal expenses (such as due diligence expenses, attorneys' fees and other expenses related to an unconsummated investment) that are paid by the Sub-Fund or a Morgan Stanley Related Person, either with respect to an Excess Co-Investment Opportunity that is not consummated or with respect to other potential investments that may be offered to the Sub-Fund. Thus, the Sub-Fund or a Morgan Stanley Related Person will generally bear all of the broken-deal expenses. Notwithstanding the foregoing, Co-Investors and potential Co-Investors who have committed to participate in a transaction and undertaken an obligation to bear a share of broken-deal expenses in the event such transaction is not consummated may bear a share of such expenses.

The allocation of an Excess Co-Investment Opportunity may give rise to potential conflicts of interest, including that the Board of Directors (in consultation with the Investment Manager) may allocate such Excess Co-Investment Opportunity in a manner that may benefit Morgan Stanley, including by allocating such Excess Co-Investment Opportunity to a person in order to encourage such person to enter into a relationship with, or expand its relationship with, Morgan Stanley, or in order to encourage such person to invest in the Sub-Fund.

The allocation of a Portfolio Investment to the Sub-Fund may vary between the identification of an investment opportunity and the consummation of such investment opportunity. For example, the allocation to the Sub-Fund may increase or decrease depending on the Investment Manager's ability to identify and consummate co-invest transactions in such timeframe, or if the Board of Directors determines (in consultation with the Investment Manager) to withdraw an offer of an Excess Co-Investment Opportunity that was made to a potential Co-Investor. In such cases, the Sub-Fund may acquire, or continue to hold, as applicable, the portion of the Portfolio Investment that was intended to be acquired by Co-Investors, and as a result, the Sub-Fund may have a greater exposure to such Portfolio Investment than the Investment Manager otherwise intended.

Moreover, in the event that the Sub-Fund identifies an investment that is too large to be allocated to the Sub-Fund in full and determines to offer a portion of such investment to Co-Investors, but does not receive a sufficient amount (as determined in the Board of Directors' sole discretion (in consultation with the Investment Manager)) of demand by potential Co-Investors with respect to such Excess Co-Investment Opportunity, the Investment Manager may be unable to consummate such potential investment on behalf of the Sub-Fund, which may have an adverse effect on the Sub-Fund.

Conflicts with Portfolio Companies. There may be situations in which the interests of the Sub-Fund in a Portfolio Company may conflict with the interests of one or more general accounts of Morgan Stanley and/or its Morgan Stanley Related Persons. This may occur for various reasons, including because these accounts hold public and private debt and equity securities of a large number of issuers which may be or become Portfolio Companies, or from whom interests in Portfolio Companies may be acquired. The Investment Manager believes that the participation of Morgan Stanley in the capital markets is a significant factor in ensuring the Investment Manager's continuing access to new transactions for investment by the Sub-Fund and this participation is believed by the Investment Manager to be, on balance, beneficial to the Sub-Fund.

Morgan Stanley may invest on behalf of itself and/or its Morgan Stanley Related Persons in a portfolio entity that is or becomes a competitor of a Portfolio Company or that is or becomes a service provider, supplier, customer or other counterparty with respect to a Portfolio Company. Such investment could create a conflict between the Sub-Fund or a Portfolio Company, on the one hand, and Morgan Stanley or the Morgan Stanley Related Person, on the other hand. In providing advice and recommendations to, or with respect to, such portfolio entities, and in dealing in their securities on behalf of itself or such Morgan Stanley Related Persons, to the extent permitted by law, Morgan Stanley will not take into consideration the best interests of the Sub-Fund and its Portfolio Companies. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Sub-Fund or its Portfolio Companies. Conflicts of interest may also arise with respect to the allocation of Morgan Stanley's time and resources between itself, its Morgan Stanley Related Persons and/or such portfolio entities, on the one hand, and the Sub-Fund, on the other hand. In addition, in providing services to such portfolio entities or Morgan Stanley Related Persons, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Sub-Fund) or disclosing, even though such action or disclosure would be in the best interests of the Sub-Fund. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to Portfolio Companies of the Sub-Fund to provide services to competing portfolio entities invested in by Morgan Stanley or Morgan Stanley Related Persons, which may have adverse consequences for the Sub-Fund. See also "Conflicts Relating to the Sub-Fund and Other Clients—Non-Public Information" above.

Officers and employees of Morgan Stanley may 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 such Portfolio Companies. In certain circumstances, for example in situations involving bankruptcy or near insolvency of a Portfolio Company, actions that may be in the best interests of the Portfolio Company may not be in the best interests of the Sub-Fund, and vice versa. In addition, the possibility exists that the entities with which one or more members of the Team or other employees of Morgan Stanley are involved could engage in transactions that would be suitable for the Sub-Fund, but in which the Sub-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 Investment Manager or Morgan Stanley and such person's duties as a director of the Portfolio Company.

General Information relating to Sustainability Risks Integration. Morgan Stanley Investment Management is committed to ESG-informed investment decision making across asset classes to support the interests of its clients and their portfolios. The Investment Manager has adopted ESG investing procedures applicable to Morgan Stanley Private Credit and Equity strategies that consider ESG risks and opportunities throughout the investment lifecycle starting in the investment due diligence phase and continuing through to the post-investment phase. ESG issues identified in the due diligence phase may influence the deal team's overall valuation of the investment, deal structure and contract negotiations. Once an investment is completed, the investment teams monitor sustainability performance and risks where possible with the aim of maximizing value at exit. Investment teams seek to engage with portfolio companies, sponsors and/or relevant stakeholders to encourage ongoing improvement of sustainability practices. In some cases, investment teams may track improvement across a range of ESG factors using key performance indicators and established work plans. The ability to directly influence portfolio company activities will vary depending on asset class, degree of ownership (i.e., control vs non-control), and materiality of sustainability issues, risks and opportunities. Such activities will in each case be undertaken only to the extent commercially reasonable and practicable under the circumstances and applicable to the types of portfolio investments made by the Sub-Fund,

and subject, in any event, to the Investment Manager's duties to the Sub-Fund, including the obligation of the Investment Manager to endeavor to maximize the return on investment for the Sub-Fund.

Diverse Membership; Relationships with Shareholders. The Shareholders could include persons or entities organized in various jurisdictions globally, which would have conflicting investment, tax and other interests with respect to their investments in the Sub-Fund. The conflicting interests of individual Shareholders could relate to, or arise from, among other things, the nature of investments made by the Sub-Fund, the structuring of the acquisition of investments of the Sub-Fund, and the timing of disposition of investments, among other things. Such structuring of the Sub-Fund's investments, as well as other factors, may result in different returns being realized by different Shareholders. As a consequence, conflicts of interest will arise in connection with decisions made by the Board of Directors or the Investment Manager, including decisions regarding the nature or structuring of investments that will be more beneficial for one Shareholder or group of Shareholders than for another Shareholder or group of Shareholders, especially with respect to Shareholders' individual tax situations. In addition, the Sub-Fund may make investments which may have an impact on, or compete with or are adverse to, investments made by Shareholders in separate transactions. In selecting, structuring and managing investments appropriate for the Sub-Fund, the Board of Directors and the Investment Manager will consider the investment objectives and tax objectives of the Shareholders as a whole, and not the investment, tax or other objectives of any Shareholder individually.

Certain Shareholders may be significant or long-standing clients of Morgan Stanley's investment management or securities businesses. Morgan Stanley may consider these relationships in its dealings with the Sub-Fund. Conflicts of interest may also arise in connection with investments in the Sub-Fund by other Morgan Stanley Related Persons. Such conflicts could arise, for example, with respect to the timing, structuring and terms of such investments and the disposition of them.

Voting Rights in Underlying Vehicles. From time to time, the sponsor of an Underlying Vehicle or a Portfolio Company may seek the approval or consent of its investors in connection with certain matters. In such a case, the Investment Manager will have the right to vote, in its sole discretion, the interest in such Underlying Vehicle or Portfolio Company held by or on behalf of the Sub-Fund. The Investment Manager will consider only those matters it considers appropriate in taking action with respect to the approval or consent. Business relationships may exist between the Investment Manager and its affiliates, on the one hand, and the investment manager and affiliates of such Underlying Vehicle or Portfolio Company, on the other hand, other than as a result of the Sub-Fund's investment in such Underlying Vehicle or Portfolio Company. As a result of these existing business relationships, the Investment Manager may face a conflict of interest acting on behalf of the Sub- Fund and its Shareholders.

The Sub-Fund may, for regulatory reasons, limit the amount of voting securities it holds in any particular Underlying Vehicle or Portfolio Company, and may as a result hold substantial amounts of non-voting securities in a particular Underlying Vehicle or Portfolio Company. With respect to any Underlying Vehicles or Portfolio Companies that are affiliated with the Investment Manager, the Sub-Fund may be required to abstain from voting pursuant to the terms of such Underlying Vehicles or Portfolio Companies. The Sub-Fund's lack of ability to vote, or abstention from voting, may result in a decision for an Underlying Vehicle or Portfolio Company that is adverse to the interests of the Shareholders. In certain circumstances, the Sub-Fund may waive voting rights or elect not to exercise them, such as to achieve compliance with U.S. bank holding company laws, laws and regulations governing the

Investment Manager's management of certain funds registered under the Investment Company Act and/or other applicable laws and regulations.

The Sub-Fund as a Potential Creditor. To the extent permitted by applicable law, including the applicable restrictions of the Volcker Rule, the Sub-Fund may invest directly or indirectly in debt securities or obligations of other Morgan Stanley clients, in which case potential conflicts of interest would arise insofar as the Sub-Fund would have an interest in structuring the financial and other terms (such as interest and repayment terms, covenants and events of default) to be more restrictive than the Morgan Stanley client, as equity owner, may desire. In addition, further conflicts could arise after the closing of the Portfolio Investment. For example, conflicts would arise if a Portfolio Company is unable to meet its payment obligations or comply with covenants relating to securities held by the Sub-Fund. If additional funds are necessary as a result of financial or other difficulties, it may not be in the best interests of the Sub-Fund to provide such additional funds. If the obligor were to lose its investment as a result of such difficulties, the Investment Manager may have a conflict of interest relative to the other Morgan Stanley client in recommending actions that are in the best interest of the Sub-Fund.

Sub-Fund Creditworthiness. The Sub-Fund will be required to establish business relationships with its counterparties based on the Sub-Fund's own credit standing. Morgan Stanley will not have any obligation to allow its credit to be used in connection with the Sub-Fund's establishment of its business relationships, nor is it expected that the Sub-Fund's counterparties will rely on the credit of Morgan Stanley in evaluating the Sub-Fund's creditworthiness.

Morgan Stanley Policies and Procedures. Specified policies and procedures implemented by Morgan Stanley reasonably designed to mitigate potential conflicts of interest, address certain legal and regulatory requirements (including money laundering, economic sanctions and corruption-related requirements) and reflecting the increasing relevance of environmental, social and corporate governance issues (including adoption of an environmental policy statement and a statement on human rights), contractual restrictions and/or franchise-driven concerns may limit the Investment Manager's ability to pursue certain investment opportunities investment opportunities and reduce the synergies across Morgan Stanley's various businesses that the Sub-Fund expects to draw on for purposes of pursuing attractive investment opportunities. Because Morgan Stanley has many different principal, asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal, regulatory and contractual restrictions than those to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Morgan Stanley has implemented certain policies and procedures (e.g., information walls) and established a global conflicts management office to review conflicts and potential conflicts between various Morgan Stanley businesses, and these may reduce the positive synergies that the Sub-Fund expects to utilize for purposes of finding, managing and disposing of attractive Portfolio Investments. For example, Morgan Stanley may come into possession of material non-public information with respect to entities in which the Sub-Fund may be considering making an investment. As a consequence, that information, which could be of benefit to the Sub-Fund, might become unavailable to the Sub-Fund, and in some instances, the investment opportunities may no longer be made available to the Sub-Fund.

Conflicts Related to Certain Relationships

Client Relationships. Morgan Stanley and its affiliates have existing and potential relationships with a significant number of sponsors and managers of Underlying Vehicles, Portfolio Companies, corporations and institutions. In providing services to its clients and the Sub-Fund, Morgan Stanley may face conflicts of interest with respect to activities recommended to, or performed for, such clients, on the one hand,

and the Sub-Fund, the Shareholders, the Underlying Vehicles and/or the Portfolio Companies, on the other hand. Morgan Stanley may also face conflicts of interest in connection with any purchase or sale transactions involving an investment by the Sub-Fund, whether to or from a Morgan Stanley client, and in connection with the consideration offered by, and obligations of, such Morgan Stanley client in such transactions. In such cases, Morgan Stanley will owe fiduciary duties to the Morgan Stanley client that may make Morgan Stanley's interest adverse to that of the Sub-Fund. In addition, these client relationships may present conflicts of interest in determining whether to offer certain investment opportunities to the Sub-Fund.

In acting as principal or in providing advisory and other services to its other clients, Morgan Stanley may engage in or recommend activities with respect to a particular matter that conflict with or are different from activities engaged in or recommended by the Investment Manager on behalf of the Sub-Fund. In addition, the terms under which the Investment Manager and its affiliates provide management and other services to other clients may differ significantly from those applicable to the Sub-Fund. In particular, arrangements with certain other clients might provide for the Investment Manager and its affiliates to receive fees and/or incentive distributions that are higher than the AIFM Fees and Profit Share payable by the Sub-Fund.

Joint Venture Partners. Some of the third parties and joint venture partners with which the Sub-Fund may co-invest in Portfolio Investments may have pre-existing investments with Morgan Stanley. The terms of these pre-existing investments may differ from the terms upon which the Sub-Fund invests with such third parties and joint venture partners. To the extent a dispute arises between Morgan Stanley and such third parties and partners, the Sub-Fund's investments relating thereto may be affected.

Multi-Fund Investors/Strategic Partnerships. Morgan Stanley has in the past and may in the future enter into strategic partnerships or other multi-strategy or multi-asset class arrangements or investment programs directly or indirectly with investors that commit significant capital to a range of products, investment ideas and asset classes sponsored by Morgan Stanley. Such arrangements may include Morgan Stanley granting certain preferential terms to such investors, including discounts on and/or reimbursement of management fees and/or incentive allocations or carried interest applied to some or all of the relevant investment program and/or investment vehicles, secondment of personnel from the investor to Morgan Stanley (or *vice versa*) as well as targeted amounts for co-investments alongside Morgan Stanley funds. Such preferential terms are generally not subject to any "most favored nation" provisions included in any side letter.

Advisors and Other Service Providers. Certain advisors and other service providers to the Sub-Fund (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), and/or their affiliates, may also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the Investment Manager or their affiliates. Such advisors and other service providers may be investors in the Sub-Fund, affiliates of the Investment Manager, sources of investment opportunities or co-investors or counterparties therewith or may be former employees of Morgan Stanley that performed services for Morgan Stanley and its funds. These other services and relationships may influence the Investment Manager in deciding whether to select or recommend such a service provider to perform services for the Sub-Fund (the cost of which generally will be borne by the Sub-Fund and, indirectly, the Shareholders). Notwithstanding the foregoing, investment transactions for the Sub-Fund that require the use of a service provider generally will be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's

provision of certain investment-related services and research that the Board of Directors believes to be of benefit to the Sub-Fund. 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 Investment Manager or their affiliates as compared to services provided to the Sub-Fund, which may result in more favorable rates or arrangements than those payable by the Sub-Fund.

Outsourcing. Except as otherwise set forth herein, the Board of Directors and the Investment Manager are solely responsible for their internal administration, overhead or compensation for employees. However, the Board of Directors and the Investment Manager expect to "outsource" certain services to third parties (including consultants, finders, financial advisers and experts), that were previously provided by the Investment Manager and its affiliates, such as conducting due diligence and/or providing structuring advice (including with respect to tax considerations). Certain of the personnel of such third parties (some of whom previously worked for the Investment Manager) are expected to work in the Investment Manager's offices alongside the Investment Manager's employees, use the Investment Manager's email address and devote substantially all of their working time to affairs regarding the Sub-Fund and/or Morgan Stanley Related Persons. When the Board of Directors or the Investment Manager "outsources" services the costs, fees and expenses associated with the provision of such services are generally borne by the Sub-Fund instead of the Investment Manager, thereby increasing the expenses borne by the Shareholders.

Operating Executives. The Board of Directors, the AIFM, the Investment Manager or any of the respective affiliates of the AIFM and the Investment Manager are permitted, in their sole discretion, to retain the services of one or more Operating Executives and unless determined otherwise by the Board of Directors, the Investment Manager or any of its respective affiliates in its sole discretion, any and all Operating Executive Compensation will be borne or paid by the Sub-Fund or the Portfolio Investment (or Portfolio Investments) to which the applicable Operating Executive's services relate and not the Board of Directors, the AIFM, the Investment Manager or any of the respective affiliates of the AIFM and the Investment Manager.

Because the fees, costs and expenses associated with the engagement, retainer or employment of an Operating Executive will generally not be borne by the AIFM, the Investment Manager or any of their respective affiliates, those entities will have an incentive to engage a prospective employee of the AIFM, the Investment Manager or any of their respective affiliates as an Operating Executive, rather than as a direct employee. This incentive is heightened by the flexibility afforded to the Board of Directors and the Investment Manager in connection with how to structure any such engagement, retainer or employment. Although the Board of Directors, the AIFM and the Investment Manager intend to make all Operating Executive engagement, retainer or employment decisions in good faith and only to the extent that any such Operating Executive possesses substantial, significant or otherwise relevant experience or expertise to serve as consultants to the Board of Directors, the AIFM, the Investment Manager, the Sub-Fund or any Portfolio Investments, it will not always be readily apparent that such decisions were necessarily made in such fashion and reasonable minds will disagree.

Support Services; Leveraging of Firm Resources. The Investment Manager intends to engage value-add partners to provide certain support services that are intended to assist the Team in establishing, monitoring and operating the Sub-Fund and Portfolio Investments (the "**Support Services"**). Support Services may include assistance with fund formation and due diligence, operational issues, marketing strategy, client development and business strategy and is expected to be provided by the personnel of, or consultants to, the Investment Manager and its affiliates (the "**Support**

Assistance Personnel"). The Support Assistance Personnel will generally not devote their full time and business attention to providing Support Services and will spend the majority of their time performing other activities for the Investment Manager and/or its affiliates. However, one or more dedicated Support Personnel may be dedicated to the Sub-Fund and spend all or most of their time providing the Support Services. Because the Sub-Fund does not intend to take controlling interests in Portfolio Investments, the Sub-Fund may at times be limited in the nature and/or scope of support services it will provide to Portfolio Investments. Unless determined otherwise by the Board of the Directors, the AIFM, the Investment Manager or any of their respective affiliates in their discretion, any and all compensation received by the Support Assistance Personnel (which may be any type of compensation that constitutes Operating Executive Compensation) will be borne or paid by the Sub-Fund or the Portfolio Investment to which the applicable Support Assistance Personnel's Support Services relate and not the Board of Directors, the AIFM, the Investment Manager or any of their respective affiliates. Furthermore, the ability of any Support Assistance Personnel and/or dedicated Support Personnel to leverage Morgan Stanley's institutional resources on behalf of the Sub-Fund will be subject to third party confidentiality obligations and internal policies and procedures established by Morgan Stanley, including information barriers and allocation policies, to manage actual and potential conflicts of interest.

Legal Counsel. Davis Polk & Wardwell LLP, Loyens & Loeff Luxembourg S.à r.l. and other counsel represent the Sub-Fund, the Investment Manager, Morgan Stanley and certain of their affiliates, as applicable, from time to time in a variety of different matters and Walkers (Ireland) LLP represents the AIFM on matters of Irish law and certain of its affiliates, as applicable, from time to time in a variety of different matters (collectively, "**Counsel**"). See "Certain Investment Considerations and Risk Factors—Risks Related to the Structure and Terms of the Sub-Fund—No Separate Counsel." Counsel may also act as counsel to an Underlying Vehicle, a Portfolio Company, equity sponsors of an Underlying Vehicle or Portfolio Company, other creditors of an Underlying Vehicle or Portfolio Company, or an agent therefor, a party seeking to acquire some or all of the assets or equity of an Underlying Vehicle or Portfolio Company, or a person engaged in litigation with an Underlying Vehicle or Portfolio Company.

Counsel does not represent or owe any duty to any Shareholder or the Shareholders as a group. It is not anticipated that, in connection with the organization or operation of the Sub-Fund, the Board of Directors will have the Sub-Fund engage counsel separate from Counsel to the Sub-Fund, the AIFM, the Investment Manager and their respective affiliates. In no event will Counsel or any other separate counsel engaged by the Sub-Fund be acting as counsel for any Shareholder or the Shareholders as a group. In the course of such representation, there may be times when the interests of the Shareholders may differ from those of the Sub-Fund. In the event a conflict of interest or dispute arises between the Sub-Fund, the AIFM, the Investment Manager or any of the respective affiliates of the Investment Manager, on the one hand, and any Shareholder, on the other hand, the applicable Counsel will act as counsel to the Sub-Fund, the AIFM, the Investment Manager or such affiliate and not counsel to the Shareholders, notwithstanding the fact that, in certain cases, such Counsel's fees are paid through or by the Sub-Fund. Prospective investors should seek their own legal, tax and financial advice before making an investment in the Sub-Fund.

Counsel's representation of the Sub-Fund, the AIFM, the Investment Manager and their respective affiliates, as applicable, is limited to specific matters as to which they have been consulted by such persons. There may exist other matters that could have a bearing on the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager and/or the respective affiliates of the Sub-Fund and the Investment Manager as to which Counsel has not been consulted. In addition, Counsel has not undertaken to monitor the compliance of the Board of Directors, the AIFM, the Investment Manager and

the respective affiliates of the AIFM or the Investment Manager with the investment program, investment strategies, valuation procedures, investment restrictions and other guidelines and terms set forth herein and in the Supplement, or with applicable laws and regulations. In preparing and/or reviewing this Supplement, Counsel has relied upon information furnished to it by the Board of Directors, the AIFM, the Investment Manager and the respective affiliates of the Investment Manager and has not investigated or verified the accuracy or completeness of the information set forth in this Supplement, including information concerning the Sub-Fund, the Board of Directors, the AIFM, the Investment Manager and the affiliates and personnel of the Sub-Fund, the AIFM and the Investment Manager.

Remuneration of Service Providers. The Administrator, the Depositary and the Auditor of the Fund are compensated for their services in relation to the Sub-Fund at market rates pursuant to the terms of their relevant terms of engagement.

Conflicts of Interests. The Investment Manager, the AIFM and the Board of Directors may from time-to-time act in a similar capacity to, or otherwise be involved in, other funds or investment platforms, some of which may have similar investment objectives to those of the Sub-Fund. Therefore, they each may be subject to conflicting demands in respect of allocating time, services and other functions between the activities each has undertaken with respect to the Sub-Fund and the activities each has undertaken or will undertake with respect to other investors or other accounts. It is therefore possible that any of them may, in the course of their respective businesses, have actual or potential conflicts of interest with the Sub-Fund or the Shareholders. The Board of Directors will endeavour to ensure that any conflicts are resolved equitably.

The AIFM is responsible for valuing the assets of the Sub-Fund. The exercise of discretion in valuation by the AIFM generally may give rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of Profit Share and the calculation of Management Fees.

Auditor of the Sub-Fund. Deloitte Audit S.à r.l. has been retained as the initial auditor of the Fund and, to the fullest extent permitted by applicable law, will not represent or owe any duty to any Shareholder or the Shareholders as a group in connection with such retention.

Mitsubishi UFJ Financial Group. Mitsubishi UFJ Financial Group ("**MUFG**") owns an approximate 23.30% interest in Morgan Stanley. Morgan Stanley and MUFG have agreed to pursue a global strategic alliance and have identified numerous areas of collaboration, including asset management, capital markets and corporate and retail banking. While the Sub-Fund may transact business with MUFG and its affiliates, such transactions will be on an arm's-length basis.

Conflicts Associated with Underlying Vehicles and Managers

Managers of Underlying Vehicles to which Sub-Fund assets are allocated have interests and relationships that may create conflicts of interest related to their management of the Underlying Vehicles. Such conflicts of interest may be similar to, different from or supplement those conflicts described herein relating to Morgan Stanley and its affiliates (including the Investment Manager). For example, because the Investment Manager primarily acts as a funds of private equity funds manager in respect of the Sub-Fund while managers of Underlying Vehicles engage in direct trading strategies for Underlying Vehicles, such managers may have potential conflicts of interest related to the investment of client assets in securities and other instruments that may not apply to the Investment Manager, or may apply to the Investment Manager in a different or more limited manner.

Resolution of Conflicts

If any matter arises that the Board of Directors determines constitutes an actual conflict of interest, the Board of Directors may take such actions as it determines may be necessary or appropriate to ameliorate the conflict (and upon taking such actions the Board of Directors will be relieved of any liability for such conflict and will be deemed to have satisfied its fiduciary duties related thereto, in each case, to the fullest extent permitted by law). These actions may include, by way of example and without limitation, (i) disposing of the security giving rise to the conflict of interest; (ii) appointing an independent fiduciary to act, with respect to the matter giving rise to the conflict of interest; or (iii) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the Shareholders regarding the conflict of interest and either obtaining a waiver from the Shareholders of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Shareholders with respect to such conflict of interest. There can be no assurance that Morgan Stanley will resolve all conflicts of interest in a manner that is favorable to the Sub-Fund. In addition, Shareholders should note that the Supplement contain provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to the Sub-Fund and the Shareholders to which the Board of Directors would otherwise be subject; (ii) waive duties or consent to the conduct of the Board of Directors that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies of a Shareholder with respect to breaches of such duties. Additionally, the Supplement contain exculpation and indemnification provisions that, subject to the specific exceptions enumerated therein, provide that the Board of Directors will be held harmless and indemnified for matters relating to the operation of the Sub-Fund, including matters that may involve one or more potential or actual conflicts of interest.

ANNEX III
AIFMD DISCLOSURE STATEMENT

The AIFM has made available to Shareholders the relevant information in respect of the Sub-Fund as set out by Article 23 of Directive 2011/61/EU (the "**AIFMD**") and the EU Regulation 2015/2365 on transparency of securities financing transactions (the "**SFTR**") as follows (the "**AIFMD Disclosure Statement**"). This AIFMD Disclosure Statement also includes disclosures required pursuant to Regulation (EU) (2019/2088) on sustainability related disclosures in the financial services sector ("**SFDR**"). This AIFMD Disclosure Statement should be read together with the Prospectus and the contents of Annex IV (SFTR Disclosure) and Annex V (Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852) therein, as the context requires, and any capitalised terms not otherwise defined within this AIFMD Disclosure Statement shall adopt the meanings given to them elsewhere in this Supplement, including in the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(a)	Description of the investment strategy and objectives of the AIF.	Please refer to section (*Investment Objectives and Investment Strategy*) of this Supplement.
Art 23(1)(a)	Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds.	The Sub-Fund is not a feeder fund or a fund of funds.
Art 23(1)(a)	Description of the types of assets in which the AIF may invest.	Please refer to sections (*Investment Objectives and Investment Strategy*), and (*Investment Limitations*) of this Supplement.
Art 23(1)(a)	Description of the techniques the AIF may employ and all associated risks.	Please refer to sections (*Investment Objectives and Investment Strategy*) and (*Derivatives and Securities and Financing Transactions*) of this Supplement, Annex II (*Risk Factors and Conflicts of Interest*), Annex IV (*SFTR Disclosure*) to this

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		Supplement, and section 16 (*Certain Risk Considerations*) of the Prospectus.
Art 23(1)(a)	Description of any applicable investment restrictions.	Please refer to section (*Investment Limitations*) of this Supplement
Art 23(1)(a)	Description of the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements.	Please refer to section (*AIFMD Leverage*) of this Supplement. The Sub-Fund's assets could potentially be subject to reuse. Restrictions on reuse of collateral will be detailed in the relevant documents related to the relevant transaction in accordance with the requirements of applicable law and regulatory regimes. Any changes to any right of re-use of collateral will be disclosed to the Investors in accordance with the requirements of AIFMD.
Art 23(1)(a)	Description of the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Please refer to section (*AIFMD Leverage*) of this Supplement.
	Information required to be disclosed pursuant to the SFTR	Please refer to section (*Derivatives and securities financing transactions*) of this Supplement.
Art 23(1)(b)	Description of the procedures by which the AIF may change its investment strategy or investment policy, or both.	Please refer to section 13 (*Amendments*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(c)	Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Please refer to sections 12 (*General Information*) and 12.3 (*Investor Rights*) of the Prospectus.
Art 23(1)(d)	Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the Shareholders' rights.	**AIFM**: MSIM Fund Management (Ireland) Limited 24-26 City Quay Dublin D02 NY19 Ireland **Investment Manager**: AIP Opportunistic Secondaries III SLP LP 100 Font Street, Suite 700 West Conshohoken, Pennsylvania **Depositary:** The Bank of New York Mellon SA/NV Luxembourg Branch Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand-Duchy of Luxembourg **Administrator, Registrar and Transfer Agent** The Bank of New York Mellon SA/NV Luxembourg Branch Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand-Duchy of Luxembourg **Auditor:** Deloitte Audit S.à r.l.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		20, Boulevard de Kockelscheuer L - 1821 Luxembourg Grand Duchy of Luxembourg **Legal Counsel:** Davis Polk & Wardwell LLP 450 Lexington Avenue, New York, NY 10017 Loyens & Loeff Luxembourg S.à r.l. 18-20 rue Edward, Steichen, L-2540, Luxembourg, Grand Duchy of Luxembourg Walkers Ireland LLP The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland The AIFM will perform the risk management function and oversight of the portfolio management function for the Sub-Fund. The AIFM is acting as Global Distributor for the Sub-Fund and may from time to time in its sole discretion appoint one or more Sub-Distributors. The AIFM is the alternative investment fund manager for the purposes of the AIFMD. The AIFM has established and maintains a risk management function in-house, which ensures compliance with the requirements of AIFMD. The AIFM is ultimately responsible for its risk management framework, which encompasses a culture of risk management principles and practices that support risk identification, measurement, monitoring, escalation and decision making. The AIFM's permanent and independent in-house risk management function is represented by the Chief Risk Officer. The Investment Manager will have full discretion and be responsible for making portfolio management decisions for the Sub-Fund, including conducting due diligence, analysing, structuring, and negotiating potential investments, monitoring the performance of investments, incurring leverage and other indebtedness and making all investment and disposition decisions for the Sub-Fund, as well as

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		providing certain administrative services to the Sub-Fund, subject to the supervision of the AIFM. The Depositary will be responsible for the functions contemplated by Article 21 of the AIFMD. Certain custody assets of the Sub-Fund (such as shares tradable on a liquid market and settled in a central securities depositary) may be entrusted to the Depositary for safekeeping in accordance with the AIFMD. The Depositary may delegate custody of such assets to one or more sub-custodians. Other assets of the Sub-Fund may be held by a separate custodian. The Depositary will exercise oversight over the custody of such other assets in accordance with Article 21(8)(b) of the AIFMD. The Auditor will audit the financial statements of the Sub-Fund on an annual basis and deliver an audit opinion to the Sub-Fund in respect thereof. The Administrator will carry out all central administrative duties related to the central administration of the Sub-Fund, including calculation of the Net Asset Value. The Administrator is responsible for handling the processing of subscriptions for the Shares of the Sub-Funds, dealing with requests for redemption (following End of Life of the Sub-Fund), accepting transfers of funds, safekeeping the Share Register and mailing documents to Shareholders. Legal counsel will provide the Fund and/or the AIFM with advice in respect of negotiating the terms of the Sub-Fund and will draft legal documentation in respect of the Sub-Fund. Investors' rights against the Sub-Fund are provided for in the Articles of Association and the Prospectus and are governed under the applicable laws of the Grand Duchy of Luxembourg. Investors do not have any direct rights against the Investment Manager, the Administrator (or any other delegates appointed by the AIFM) or the Auditor. In the event that the actions or omissions of any service provider to the Sub-Fund were to result in an adverse impact on an investor in the Sub-Fund, this may give rise to contractual rights for the Sub-Fund; however, any such rights would

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		need to be exercised by, or for, the Sub-Fund on behalf of Investors as a whole. Investors in the Sub-Fund may have direct rights against the Depositary and the AIFM in certain circumstances for breach of statutory duty founded on the AIFMD and its implementing measures. Complaints against the AIFM may be addressed to the compliance officer at the AIFM. The AIFM is authorised and regulated by the Central Bank of Ireland at the following address: New Wapping Street North Wall Quay Dublin 1 D01 F7X3.
Art 23(1)(e)	Description of how the AIFM is complying with the requirements of Article 9(7) of the AIFMD.	The AIFM covers its potential professional risks resulting from its activities as an AIFM by holding additional funds in its own account which are appropriate to cover potential liability risks arising from professional negligence.
Art 23(1)(f)	Description of any delegated management functions as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, identity of the delegate and description of related conflicts of interest that may arise from such delegations.	AIP Opportunistic Secondaries III SLP LP will be appointed by the AIFM as delegated portfolio manager with respect to all investments and will perform the day-to-day portfolio management of all of the Sub-Fund's investment portfolio. The AIFM may decide to delegate portfolio management functions in relation to the Sub-Fund alongside or replacing the Investment Manager to one or more entities of the Morgan Stanley group. The Depositary may delegate the performance of its safekeeping functions, subject to certain conditions. However, the liability of the Depositary will not be affected by the fact that it has entrusted the safekeeping function to a third party. As part of the normal course of its business, the Depositary or the safekeeping delegate may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. In relation to conflicts of interest, please refer to Annex II (*Risk Factors and Potential Conflicts of*

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		Interests) to this Supplement and section 14 (*Conflicts of Interest*) of the Prospectus.
Art 23(1)(g)	Description of the AIF's valuation procedure and the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19 of the AIFMD.	Please refer to section (*Valuation Methodology*) of this Supplement and section 7 (*Valuation and Net Asset Calculation*) of the Prospectus.
Art 23(1)(h)	Description of the AIF's liquidity risk management, including redemption rights of Shareholders, both in normal circumstances and exceptional circumstances and a description of the existing redemption arrangements with Shareholders.	As there are no investor redemption rights during the Life of the Sub-Fund, it is not anticipated that the Sub-Fund will be subject to any material liquidity risk. During the Life of the Sub-Fund, no investor in the Sub-Fund has redemption rights within the meaning of the AIFMD and the ELTIF Regulation. Shares in the Sub-Fund may not be sold, transferred or assigned without the prior written consent of the Board of Directors. No investor may withdraw from the Sub-Fund unless required and/or permitted by the Board of Directors. Broadly, an investor shall have the power to withdraw from the Sub-Fund only where it is constituted by a state or federal authority or law and withdrawal is required to avoid violation of any applicable law, statutory regulation or, in certain circumstances, binding written policy of that investor. Please refer to section (*Compulsory Redemptions*) of this Supplement. From the day following the date of the End of Life of the Sub-Fund onwards, the Board of Directors will initiate a compulsory redemption process in respect

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		of all Shareholders as further described in section (*Redemptions*) of this Supplement.
Art 23(1)(i)	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by Shareholders.	Please refer to section (*Costs of setting up the Sub-Fund*), (*AIFM Fee*), (*Management Fee*), (*Distribution Costs*), (*Other Costs*), (*Overall Cost Ratio*) of this Supplement and section 9 (*Fees and Expenses*) of the Prospectus. Save as described under Expense Cap above, there is no maximum amount of fees, charges or expenses which may be borne directly or indirectly by investors. For the expected Overall Cost Ratio per Class of Shares, please refer to Annex I.
Art 23(1)(j)	Description of how the AIFM ensures a fair treatment of Shareholders and a description of any preferential treatment or the right to obtain preferential treatment obtained by any Shareholder, a description of that preferential treatment, the type of Shareholders who obtain such preferential treatment and, where, relevant, their legal or economic links with the AIF or AIFM.	Please refer to sections 12 (*General Information*) and 12.4 (*Preferential Treatment*) of the Prospectus.
Art 23(1)(k)	Latest annual report referred to in Article 22 of the AIFMD.	No Annual Report is yet available in respect of the Sub-Fund. The first such report will be made available in accordance with section (*Reporting*) of this Supplement and sections 12 (*General Information*) and 12.1 (*Reports and financial statements*) of the Prospectus and made available to prospective investors upon request.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(l)	Procedure and conditions for the issue and sale of shares.	Please refer to sections (*Shares*), (*First Closing / Subscriptions*) and (*Share Classes*) of this Supplement, section 6 (*Shares*) of the Prospectus.
Art 23(1)(m)	Latest net asset value of the AIF or the latest market price of the interests of the AIF, in accordance with Article 19 of the AIFMD.	This information will be included in the first Annual Report and, subsequently, in the latest Annual Report, which will be made available to Shareholders upon request to the AIFM.
Art 23(1)(n)	Historical performance of the AIF, where available	This information will be provided to investors in the annual and other regular reports when available.
Art 23(1)(o)	Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse AIF assets.	N/A
Art 23(1)(o)	Information about any transfer of liability to the prime broker that may exist.	N/A

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(p)	Description of how and when the information required to be periodically disclosed under Article 23(4) and Article 23(5) of the AIFMD will be disclosed to Shareholders.	Please refer to section 12.5 (*Documents and information available*) of the Prospectus.
Article 23(2)	Description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with Article 21(13) of the AIFM Directive	The Depositary has not made any arrangement to contractually discharge itself of liability in accordance with Article 21(13) of the AIFMD.

ANNEX IV
SELLING RESTRICTIONS

The distribution of the Prospectus and this Supplement and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may (in addition to those restrictions under the laws of various jurisdictions described herein) be restricted or prohibited by law. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence and domicile with respect to the acquisition, holding or disposition of the Shares. Copies of the Prospectus and this Supplement distributed to investors in a particular jurisdiction may include an additional notice regarding the offering and sale of the Shares in that jurisdiction, which notice, if included, will be annexed to the Prospectus and this Supplement.

Notice to investors in the EEA

Pursuant to the AIFMD, the Sub-Fund will constitute an EU AIF the AIFM of which is itself an EU AIFM. Each member state of the EEA has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) investor domiciled or with a registered office in the EEA will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential investors should ensure that they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws. The Sub-Fund may be marketed to Eligible Investors within the EU based on the ELTIF Regulation, in accordance with the provisions and requirements as set forth in the ELTIF Regulation.

The Shares in the Sub-Fund may only be subscribed for by Eligible Investors and in compliance with any additional eligibility criteria set out in the Prospectus and this Supplement. The Sub-Fund or any of its delegates, where applicable, at its full discretion, may refuse the issue or transfer of Shares if there is not sufficient evidence that the person to whom the Shares are sold or transferred is an Eligible Investor and meets the eligibility criteria set out in this Supplement.

Notice to investors in Switzerland

Under the Collective Investment Schemes Act dated 23 June 2006 (as amended, the “CISA”), the offering and sale to investors other than qualified investors of units in a foreign collective investment scheme in or from Switzerland are subject to prior approval by the Swiss Financial Market Supervisory Authority – FINMA and, in addition, the offer to certain elected qualified investors of interests in such collective investment schemes may be subject to, inter alia, the prior appointment of a representative and a paying agent in Switzerland. Foreign collective investment schemes for these purposes include, inter alia, companies and other entities or schemes organized outside Switzerland (including those created on the basis of a collective investment contract or a contract of another type with similar effect) created for the purpose of collective investment, whether closed or open-end. There are reasonable grounds to believe that the Sub-Fund would be characterized as a foreign collective investment scheme under the CISA. Since the Sub-Fund has not sought nor will seek the approval of the Swiss Financial Market Supervisory Authority – FINMA, any offering of the LP Units, and any circulation of offering materials or information, including this Supplement, will be made to and directed at per se professional clients, as defined in Article 4(3) of the Financial Services Act dated 15 June 2018 and at clients who have entered into a long term investment advisory or discretionary management relationship with a regulated financial intermediary (the “Eligible Investors”). Accordingly, no Swiss representative or paying agent has been or will be appointed by the Sub-Fund pursuant to CISA. This Supplement and/or any other offering materials relating to the Sub-Fund may be made available in Switzerland solely to Eligible Investors. Failure to comply with the above-mentioned requirements may constitute a breach of the CISA.

The Sub-Fund will be offered in Switzerland to professional or institutional clients (as defined in the Swiss Financial Services Act; "FinSA") only. The Sub-Fund may not be proposed or recommended to retail clients (within the meaning of FinSA) in Switzerland except under a qualifying portfolio management or advisory agreement in accordance with FinSA and provided that a key information document or equivalent document pursuant to the FinSA is remitted to such clients under a qualifying advisory agreement.

Notice to investors in the UK

The Prospectus and this Supplement may only be communicated (a) once notification pursuant to Article 59 of the Alternative Investment Fund Managers Regulations 2013, as amended from time to time (the "AIFM Regulations") has been submitted to the Financial Conduct Authority (the "FCA"), to persons who are "professional investors", as defined in regulation 2(1) of the AIFM Regulations (b) persons who are high net worth individuals within the meaning of article 48(2) the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") and to (c) persons to whom the Prospectus and this Supplement may otherwise lawfully be communicated. The persons referred to in (a) and (c) being referred to collectively as "relevant persons". The Prospectus and this Supplement must not be acted on or relied on by persons who are not relevant persons. The Shares are available only to relevant persons.

The Prospectus and this Supplement have not been approved by the FCA or any other UK regulatory authority for the purposes of section 85 of the Financial Services and Markets Act 2000.

Notice to investors in Japan

The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA"). Accordingly, the Shares have not been and will not be directly or indirectly offered or sold in Japan or to a Resident in Japan except pursuant to the exemption of (a) "Private Placement to Qualified Institutional Investors (tekikaku kikan toshika) Only" whereby the Shares are offered for sale only to Qualified Institutional Investors (tekikaku kikan toshika) as set out in Article 2, Paragraph 3, Item 2-(i) of the FIEA or (b) "Private Placement to a Small Number of Investors (shouninzuu shibo)" whereby the Shares are offered for sale to no more than 49 Residents in Japan as set out in Article 2, Paragraph 3, Item 2-(iii) of the FIEA and/or any other applicable rules or regulations, and with the filing of a registration statement pursuant to the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended) with the Financial Services Agency of Japan. An investor who subscribes for the Shares pursuant to the exemption of "Private Placement to Qualified Institutional Investors (tekikaku kikan toshika) Only" as described above may not transfer its Shares except in the case where the investor transfers its Shares to a Qualified Institutional Investor (tekikaku kikan toshika) who shall enter into an agreement whereby it undertakes not to transfer the Shares other than to a Qualified Institutional Investor. An investor who subscribes for the Shares pursuant to the exemption of "Private Placement to a Small Number of Investors (shouninzuu shibo)" as described above may not transfer its Shares except in the case where the investor transfers its Shares in a lump sum to a single person. As used in this paragraph, the term "Resident in Japan" means a natural person having their place of domicile or residence in Japan, or a juridical person having its main office in Japan as defined in Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended).

SUB-FUND SUPPLEMENT 3

SUPPLEMENT IN RELATION TO THE PROSPECTUS OF **CABOT S.A. SICAV**

RELATING TO THE SUB-FUND **MORGAN STANLEY PRIVATE MARKETS ELTIF**

(hereinafter the "**Sub-Fund**")

Important Notice

This Supplement summarises selected features of the Sub-Fund in table format. Shareholders are strongly recommended to carefully read this Supplement in conjunction with the general part of the Prospectus and the Articles of Association and to seek professional advice.

The Board of Directors acting with respect to the Sub-Fund will only be liable for the description in this Supplement to the extent it is misleading, incorrect or inconsistent when read together with the above-mentioned documentation.

This Supplement may be translated into other languages. Any translation shall contain the same information and have the same meaning as the English language Supplement. To the extent that there is any inconsistency between the English language Supplement and this Supplement in another language, the English language Supplement will prevail. Any further country specific information which is required as part of the offering documents in a particular country will be provided in accordance with laws and regulations of that country.

SHAREHOLDERS ARE SPECIFICALLY REFERRED TO THE RISK FACTORS IN THE GENERAL PART OF THE PROSPECTUS AND IN THIS SUPPLEMENT.

Shareholders will be offered to subscribe for Shares in the Sub-Fund pursuant to the Subscription Agreement, which will be governed by Luxembourg law. In the Subscription Agreement, each Shareholder declares that it has read and understood the aforementioned documentation or that it has sought professional advice in respect to such documentation. By signing the Subscription Agreement, each Shareholder confirms its agreement with the content of the Prospectus (including all annexes and exhibits thereto), this Supplement and the Articles of Association.

Participation in the Sub-Fund is associated with intricate tax and regulatory matters that may differ from Shareholder to Shareholder. Each Shareholder is advised to clarify the actual tax and regulatory effects with its personal tax and legal adviser.

This Sub-Fund is a European long-term investment fund ("**ELTIF**") subject to the provisions of Regulation (EU) 2015/760 on European Long Term Investment Funds, as amended and supplemented (the "**ELTIF Regulation"**) and Commission Delegated Regulation (EU) 2024/2759 of 19 July 2024 supplementing the ELTIF Regulation with regard to regulatory technical standards specifying when derivatives will be used solely for hedging the risks inherent to other investments of the ELTIF, the requirements for an ELTIF's redemption policy and liquidity management tools, the circumstances for the matching of transfer requests of units or shares of the ELTIF, certain criteria for the disposal of ELTIF assets, and certain elements of the costs disclosure (the "**ELTIF CDR**") or any other related EU delegated act adopted by the European Commission amending or supplementing the ELTIF Regulation, the ELTIF CDR or regulatory guidance from time to time including, for the avoidance of doubt, as may become applicable, further to a revision of the ELTIF Regulation.

Investment in the Sub-Fund will involve significant risks due to, among other things, the nature of the Sub-Fund's investments. The Sub-Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. The Sub-Fund may not be suitable for retail investors that are unable to sustain a long-term and illiquid commitment.

The Shares of the Sub-Fund are subject to certain restrictions on transfers and redemption. Please refer to section (*Redemptions and Liquidity)* below for more information. In particular, investors should note that, although in normal circumstances, the Sub-Fund provides for quarterly liquidity, the Sub-Fund offers only limited redemption rights and, in particular, redemptions may be capped in case of redemption requests exceeding certain amounts (up to 5% of Net Asset Value per calendar quarter) and an early repayment deduction may apply (2% of the Net Asset Value of the Shares redeemed) for Shares held for less than one year.

The Sub-Fund has a ninety-nine (99) year life as from the First Closing Date, unless terminated earlier in accordance with the provisions of the Prospectus and this Supplement.

There can be no assurance that the Sub-Fund's objectives will be realized or that there will be any return of capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) that are characteristic of the investment described herein and should consult their own advisors as to legal, tax and related matters concerning an investment in the Sub-Fund. Shares in the Sub-Fund as offered by this Supplement are suitable only for prospective investors for whom an investment in the Sub-Fund constitutes only a small proportion of their overall investment portfolio and who fully understand, are willing to assume, and have the financial resources necessary to withstand, the risks involved in the investment program in which the Sub-Fund will engage. Each investor will be required to make certain representations to the Sub-Fund, including (but not limited to) representations as to investment intent, degree of sophistication, access to information concerning the Sub-Fund and ability to bear the economic risk of the investment.

Without prejudice to the above and the terms and conditions set out in this Supplement, this Sub-Fund is intended to be marketed to, among others, certain retail investors that are eligible investors under the ELTIF Regulation (the "**Retail Investors**").

NOTICE TO UK RESIDENT RECIPIENTS WHO ARE NOT PROFESSIONAL INVESTORS PURSUANT TO ARTICLE 59 OF THE ALTERNATIVE INVESTMENT FUND MANAGERS REGULATIONS 2013

This document is exempt from the general restriction (set out in section 21 of the Financial Services and Markets Act 2000) on the communication of invitations or inducements to engage in investment activity on the ground that it is made only to high net worth individuals as defined in section 48(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"). Each high net worth individual has made a statement complying with Part 1 of Schedule 5 of the FPO and satisfy the conditions set out in the statement to be classified as a high net worth individual.

The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

MSIM Fund Management (Ireland) Limited (the "AIFM") is responsible for making this communication. Requests for further information or any other enquiry regarding the matters to which the communication relates should be addressed to cslux@morganstanley.com. The AIFM is a limited company incorporated in Ireland, with registered number 616661 and address at 24-26 City Quay, Dublin, D02 NY19, Ireland.

Any individual who is in any doubt about the investment to which the communication relates should consult an authorised person specialising in advising on investments of the kind in question.

The Shares have not been registered with, or approved or disapproved by, the U.S. Securities and Exchange Commission (the "**SEC**") or any other U.S. federal or state governmental agency or regulatory authority or any securities exchange. No agency, authority or exchange has passed upon the accuracy or adequacy of this Supplement or the merits of an investment in the Sub-Fund. Any representation to the contrary is a criminal offense. Furthermore, neither the calculation nor the presentation of performance results in this Supplement has been approved or reviewed by the SEC.

Morgan Stanley Investment Management Limited, an English limited company which is authorised and regulated by the UK Financial Conduct Authority and is registered in the U.S. as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), will act as the delegated portfolio manager of the AIFM (the "**Investment Manager**"). Morgan Stanley Investment Management Inc. will act as the delegate of the Investment Manager and sub-delegated portfolio manager of the AIFM and provide certain discretionary investment services to the Sub-Fund (the "**Sub-Investment Manager**"). As used in this document, the term "**Morgan Stanley**" refers to Morgan Stanley and its subsidiaries and affiliates.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The offering contemplated by this Supplement will be made in reliance upon exemptions from the registration requirements of the Securities Act afforded by Regulation S or Regulation D thereunder, rules promulgated by the U.S. Commodity Futures Trading Commission (the "**CFTC**") and analogous exemptions under the laws of other jurisdictions. This Supplement does not constitute an offer to sell or the solicitation of an offer to buy nor will any sale of Shares be made in any jurisdiction in which the offer, solicitation or sale is not authorized or to any person to whom it is unlawful to make the offer, solicitation or sale. The Shares are subject to substantial restrictions on transferability and resale and may not be transferred or resold except as provided in the Prospectus, this Supplement and the Articles of Association, and pursuant to registration or exemption from the Securities Act and laws of other jurisdictions. Accordingly, investors should be aware that they will be required to bear the financial risks of an investment in the Shares for a significant period of time. The Sub-Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. There will be no public market for the Shares and there is no obligation on the part of any person to register the Shares under the Securities Act. No person has been authorized to make any representations concerning the Sub-Fund that are inconsistent with those contained in the Prospectus, this Supplement and the Articles of Association. The statements herein reflect views and opinions as of the date hereof and not as of any future dates and, to the fullest extent permitted by applicable law, the Board of Directors has no obligation to supplement or update the information contained herein.

Any losses in the Sub-Fund will be borne solely by Shareholders in the Sub-Fund and not by Morgan Stanley and its affiliates. Therefore, Morgan Stanley's losses in the Sub-Fund will be limited to losses attributable to the Shares in the Sub-Fund held by Morgan Stanley and its affiliates in their capacity

as Shareholders in the Sub-Fund. Shares in the Sub-Fund are not insured by the U.S. Federal Deposit Insurance Company ("**FDIC**"), and are not deposits, obligations of, or endorsed or guaranteed in any way by Morgan Stanley and its affiliates. Morgan Stanley and its affiliates do not, directly or indirectly, guarantee, assume or otherwise insure the obligations or performance of the Sub-Fund described herein or any covered fund in which such fund invests. Investors should read this Supplement, the Prospectus and the Articles of Association before investing in the Sub-Fund. MORGAN STANLEY IS THE SPONSOR OF THE SUB-FUND FOR PURPOSES OF SECTION 619 OF THE DODD-FRANK ACT ("**THE VOLCKER RULE**"). A DESCRIPTION OF THE ROLE AND SERVICES OF MORGAN STANLEY IS PROVIDED HEREIN.

Investors should be aware that pooled investment vehicles in which the Sub-Fund invests (the "**Underlying Vehicles**") may trade foreign futures or options contracts. Transactions in markets located outside the United States, including markets formally linked to a market in the United States, may be subject to regulations which offer different or diminished protection to the pool and its participants. Further, U.S. regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-U.S. jurisdictions where transactions for the pools may be effected.

EU Sustainable Finance Disclosure Regulation ("SFDR"): For the purposes of SFDR, the Sub-Fund is an Article 8 product, which promotes environmental and social characteristics pursuant to the SFDR as set out in the SFDR Pre-contractual Disclosure at Annex V of this Supplement. This Supplement also includes certain information on the Investment Manager's sustainability practices, at an organizational and investment team level, which may not necessarily be reflected in the portfolio of the Sub-Fund.

Any enquiries regarding this Supplement should be directed to:

Cabot S.A. SICAV
Morgan Stanley Private Markets ELTIF
c/o MaplesFS (Luxembourg) S.A.
12E, rue Guillaume Kroll
L-1882 Luxembourg
Grand Duchy of Luxembourg

Any complaints in relation to the operations of the Sub-Fund should be directed by e-mail to: cslux@morganstanley.com

Complaints by a Retail Investor in connection with its investment in the Sub-Fund should be addressed to such Retail Investor's distributor or financial intermediary, with a copy to the Fund. If a Retail Investor does not have a distributor or financial intermediary, the complaint should be addressed in an official language of their Member State to the Fund as set out above.

DEFINITIONS AND INTERPRETATION

The following definitions which are specific to the Sub-Fund as well as the definitions of the general part of the Prospectus are applicable to this Supplement and have the meaning as described respectively below and in the general part of the Prospectus.

Accumulation Share Classes	has the meaning set forth in section (*Share Classes*) of this Supplement.
Affiliated Investment Accounts	any Morgan Stanley sponsored, organised, managed and/or advised alternative investment funds, investment vehicles, funds-of-one, separately managed accounts (including, in each case, those that seek to pursue a similar investment strategy to the Sub-Fund), and investment programs or businesses together with any new or successor funds, programs or businesses.
Aggregate Investment Limit	has the meaning set forth in section *(U.S. Dodd-Frank Act and Volcker Rule)* of this Supplement.
AIFM Fee	has the meaning set forth in section (*AIFM Fee*) of this Supplement.
Applicable Hedging Transactions	has the meaning set forth in section (*Hedging*) of this Supplement.
BHC	has the meaning set forth in section (*BHCA*) of this Supplement.
BHC Investor	any Shareholder who is subject to regulation under the BHCA.
BHCA	the U.S. Bank Holding Company Act of 1956, as amended.
Capital	the aggregate amount of total Subscription Capital Amounts of the Shareholders of the Sub-Fund, calculated on the basis of amounts investible after deduction of all fees, charges and expenses that are directly or indirectly borne by Shareholders.
Dealing Date	has the meaning set forth in section (*First Closing and Subscriptions*) of this Supplement.
Discretionary Expense Cap	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement.
Distributable Income	has the meaning set forth in section (*Distributions and Reinvestment*) of this Supplement.
Distribution Share Classes	has the meaning set forth in section (*Share Classes*) of this Supplement.
Dodd-Frank Act	the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended.

Early Repayment Reduction	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Eligible Currencies	has the meaning set forth in Annex I (*Share Classes*).
Eligible Investment Assets	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Eligible Liquid Assets	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Eligible Investors	has the meaning set forth in section (*Eligible Investors*) of this Supplement.
ELTIF	European long-term investment fund.
End of Life	has the meaning set forth in section (*End of Life and Wind-down Period*) of this Supplement.
EPIF	means Morgan Stanley European Private Income Fund
ERISA	the U.S. Employee Retirement Income Security Act of 1974, as amended.
ESG Threshold	has the meaning set forth in Annex V (*Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 8, first paragraph, of Regulation (EU) 2020/852*) of this Supplement.
Excess Costs	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement.
Fee Holiday Date	means the first anniversary of the First Closing Date.
FHC	has the meaning set forth in section (*BHCA*) of this Supplement.
First Closing Date	has the meaning set forth in section (*First Closing and Subscriptions*) of this Supplement.
Foreign Public Fund	has the meaning set forth in section (*U.S. Dodd-Frank Act and Volcker Rule*) of this Supplement.
Fund	Cabot S.A. SICAV.
Global Distributor	has the meaning set forth in section (*Global Distributor; Sub-Distributors*) of this Supplement.
Incentive Fee	has the meaning set forth in section (*Management and performance related fees*) of this Supplement.

Intermediate Vehicle	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Investment Company Act	the U.S. Investment Company Act of 1940, as amended.
Investment Manager	Morgan Stanley Investment Management Ltd, an English limited company which is authorised and regulated by the UK Financial Conduct Authority and is registered as an investment adviser under the Advisers Act, as amended.
Investment Restrictions	has the meaning set forth in section (*Investment Limitations*) of this Supplement.
Investments	Private Investments, including, where the context requires so, the single entity, project and/or contractual arrangement in which a Private Investment is made, whether directly or indirectly, together with Public Investments.
Management Fee	has the meaning set forth in section (*Management and performance related fees*) of this Supplement.
Morgan Stanley Related Persons	has the meaning set forth in section (*Allocation of Investment Opportunities*) of this Supplement.
MS Base Commitment	has the meaning set forth in section (*Morgan Stanley Investment*) of this Supplement.
NAV Publication Date	has the meaning set forth in section (*First Closing and Subscriptions*) of this Supplement.
Organisational Expenses	has the meaning set forth in section (*Costs of setting up the Sub-Fund*) of this Supplement.
Other Costs	has the meaning set forth in section (*Discretionary Expense Cap*) of this Supplement
Per-Fund Limit	has the meaning set forth in section (*U.S. Dodd-Frank Act and Volcker Rule*) of this Supplement.
Private Credit	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Private Equity	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Private Investments	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.

Private Real Assets	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Public Investments	has the meaning set forth in section (*Investment Objectives and Investment Strategy*) of this Supplement.
Ramp-up Period	has the meaning set forth in section (*Investment Limitations*) of this Supplement.
Redemption Cap	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Redemption Cut-Off Date	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Redemption Date	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Redemption Period	has the meaning set forth in section (*Redemptions and Liquidity*) of this Supplement.
Retail Investors	has the meaning set forth in the important notice section (*Eligible Investors*) of this Supplement.
Scorecard	has the meaning set forth in section (*Sustainability-Related Disclosures*) of this Supplement.
Securities Act	the U.S. Securities Act of 1933, as amended.
Senior Payment Items	has the meaning set forth in section (*Distributions and Reinvestment*) of this Supplement.
Servicing Fee	has the meaning set forth in section (*Distribution Costs*) of this Supplement.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.
Sub-Distributor	has the meaning set forth in section (*Global Distributor; Sub-Distributors*) of this Supplement.
Sub-Fund	Morgan Stanley Private Markets ELTIF, a sub-fund of the Fund.

Sub-Investment Manager	Morgan Stanley Investment Management Inc., a Delaware-incorporated corporation, domiciled at c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, US, and registered with the SEC under number 801-15757 as an investment adviser under the Advisers Act, as amended.
Subscription Amount	has the meaning set forth in section (*Subscription Amounts*) of this Supplement.
Subscription Capital Amount	with respect to each Shareholder, an amount equal to such Shareholder's Subscription Amount (not including any subscription fee payable with respect to such Shareholder's subscription for Shares, if applicable) which amount will be set forth on the books and records of the Sub-Fund.
Tax Advance Amount	has the meaning set forth in section (*Management and performance related fees*) of this Supplement.
Valuation Day	has the meaning set forth in section (*Net Asset Value Calculation, Publication and Valuation Day*) of this Supplement.
Valuation Policy	has the meaning set forth in section (*Valuation Methodology*) of this Supplement.
Volcker Rule	has the meaning set forth in section 619 of the Dodd-Frank Act and the implementing regulations promulgated thereunder.

The Supplement

Sub-Fund	Morgan Stanley Private Markets ELTIF (the "**Sub-Fund**"), a sub-fund of Cabot S.A. SICAV (the "**Fund**"). The Sub-Fund qualifies as an ELTIF and is subject to the ELTIF Regulation and the ELTIF CDR.
Investment Manager and Sub-Investment Manager	Morgan Stanley Investment Management Ltd, an English private limited company which is authorised and regulated by the UK Financial Conduct Authority and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940 (the "**Advisers Act**"), as amended (the "**Investment Manager**"), will be appointed as delegated portfolio manager with respect to all Investments (as defined below) and, subject to permitted sub-delegation of its management functions with respect to specific investments as further described below, will perform the day-to-day portfolio management of the portion of the Sub-Fund's investment portfolio comprising the Private Investments and Public Investments (each as defined below). The Investment Manager shall sub-delegate, under its responsibility, the portfolio management of the Investments to Morgan Stanley Investment Management Inc. (the "**Sub-Investment Manager**"). Notwithstanding such sub-delegations, and pursuant to the Investment Manager's ongoing supervision of, and responsibility for, the Sub-Investment Manager, the Investment Manager may also exercise certain of its portfolio management functions and powers with respect to the Private Investments and/or Public Investments. Where the context requires, a reference to the Investment Manager in this Supplement shall be read as including a reference to the Sub-Investment Manager. The Investment Manager and the Sub-Investment Manager will have full discretion and be responsible for making portfolio management decisions for the Sub-Fund, including conducting due diligence, analysing, structuring, and negotiating potential investments, monitoring the performance of investments, incurring leverage and other indebtedness and making all investment and disposition decisions for the Sub-Fund, as well as providing certain administrative services to the Sub-Fund, subject to the supervision of the AIFM. The Investment Manager and Sub-Investment Manager (as relevant) will be responsible for reviewing and

	approving investments, monitoring and harvesting investments, assisting in determining the valuation of such investments, and making related investment management decisions; making investment allocation decisions; determining the amount and timing of distributions; considering / making determinations in respect of certain potential conflicts of interest and determining whether to present such matters and / or certain other matters to the Shareholders; negotiating and entering into side letters or other similar agreements with Shareholders and making certain other material decisions on behalf of the Sub-Fund as are required and have been delegated to them. The Investment Management Agreement can be terminated by the AIFM or the Investment Manager subject to and in accordance with its terms. The Investment Management Agreement may also be terminated with immediate effect if the AIFM reasonably determines that it is in the best interests of the Shareholders in accordance with the requirements of the AIFM Laws and Regulations. In addition, the Investment Management Agreement will automatically be terminated upon the removal of all or a majority of the Board of Directors by a decision of the Shareholders taken in accordance with the rules laid down in the Articles of Association and the Prospectus. The Investment Manager may be entitled to be indemnified and held harmless out of the assets of the Sub-Fund, as an Indemnified Person, in respect of any Claims and Expenses, other than those which resulted from Disabling Conduct. Nothing included herein or in any related document or agreement shall constitute a waiver or limitation of an Indemnified Person's potential liability, or of any rights which an investor or the Sub-Fund may have, under applicable securities laws or other laws which may not be waived, including under any fiduciary duty owed by any such person to the Sub-Fund under the Advisers Act. Please refer to the section 5.10 (*Indemnification*) in the Prospectus for further details. Under the Investment Management Agreement, (i) with respect to all securities held by the Sub-Fund, (A) the Investment Manager (or its permitted delegate) will have voting powers, including the power to vote, or direct the voting of, such securities and (B) the Investment Manager (or its permitted delegate) will have discretionary investment powers, including the power to dispose, or direct the disposition of, such securities (ii) the AIFM may share with the Investment Manager a portion of or the entirety of any Management Fee the AIFM is entitled to

	receive in accordance with the terms set forth in this Supplement; and (iii) the AIFM may authorise the Investment Manager to delegate some or all of its responsibilities with respect to the Sub-Fund to the Sub-Investment Manager. Where the context requires, a reference to the Investment Manager in this Supplement shall be read as including a reference to the Sub-Investment Manager. As the case may be, the AIFM may decide to delegate portfolio management functions in relation to the Sub-Fund alongside or replacing the Investment Manager and/or Sub-Investment Manager to one or more entities of the Morgan Stanley group. In such case, this Supplement shall be amended and the Shareholders duly notified of such change. It is expressly noted that the appointment of a different Morgan Stanley entity as investment manager or sub-investment manager of the Sub-Fund is not deemed to be a material change requiring prior notice to, or the consent of, Shareholders. The delegation of the portfolio management functions for the Sub-Fund or any change remains subject to the prior consent of the CSSF and the requirements of the AIFM Laws and Regulations. Notwithstanding the delegation of portfolio management functions to the Investment Manager, and in turn to the Sub-Investment Manager, the AIFM may, at its discretion, perform portfolio management services, provide non-discretionary recommendations and provide ancillary services with respect to all Investments of the Sub-Fund in accordance with the terms of the AIFM Agreement.
Investment Objectives and Investment Strategy	The Sub-Fund seeks to generate capital gains and income by following a globally diversified multi-alternative strategy comprised primarily of private equity, private credit and private real assets investments (collectively, "**Private Investments**" and, each, a "**Private Investment**") as well as certain public investments ("**Public Investments**", and together with the Private Investments, the "**Investments**") consistent with the long-term investment objective and liquidity terms of the Sub-Fund. The Sub-Fund qualifies as an ELTIF in accordance with the ELTIF Regulation and is intended to be invested in long-term assets. Long-term assets are typically assets that are of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature.

	The Sub-Fund expects to invest primarily in a diversified portfolio of Private Investments comprising direct investments, co-investments and secondaries, allocated across asset classes and sector-specific investment opportunities. The implementation of the Sub-Fund's investment strategy will seek to rely on Morgan Stanley's direct access to private investment opportunities and co-investment capabilities with trusted partnerships to build a differentiated and high-conviction portfolio. Private Investments will primarily consist in the following assets and associated strategies, subject to restrictions set out in the ELTIF Regulation and further described in this Supplement: **"Private Credit"** – The Investment Manager expects to follow a defensive direct lending strategy focused on primarily floating rate, first lien loans to borrowers in non-cyclical industries in the middle market. Pillars of the investment strategy include long-term credit performance, preservation of capital, and risk mitigation. Without limiting the generality of the foregoing, the Investment Manager may implement its Private Credit strategy, in all or in part, by allocating capital to Morgan Stanley European Private Income Fund, another sub-fund of the Fund, subject to the terms of the ELTIF Regulation. **"Private Equity"** – Primarily highly curated co-investment allocation offering fee-efficient differentiated lower middle market exposure and robust performance potential. Targets companies are expected to provide a balanced sector exposure focused primarily on buyout and growth opportunities in North America and Europe. **"Private Real Assets"** – Primarily differentiated real asset co-investment allocation focused on generating fee-efficient mid-market opportunities. The Investment Manager will seek to access real estate, infrastructure, and natural resources opportunities with a value-add/opportunistic return profile. Public Investments are expected to include cash, cash equivalents and other Eligible Liquid Assets (as defined below) subject to restrictions set out in the ELTIF Regulation and as further described in this Supplement. The Investment Manager will seek to gain access to public market opportunities that supplement the exposure to private markets while supporting the liquidity needs of the Sub-Fund, taking into account the redemption policy of the Sub-Fund and the requirements of the ELTIF Regulation and ELTIF CDR.

	The Investment Manager has discretion to manage the Sub-Fund, allocating capital to any of the above asset classes and/or adding, removing or modifying the investment strategies implemented in respect of each type of Investment from time to time in its sole discretion, taking into account market conditions, provided it complies with the investment objective of the Sub-Fund, the ELTIF Regulation and the ELTIF CDR. The actual allocation of Investments will be disclosed to the Shareholders on a periodic basis. The Sub-Fund will not be limited with respect to the range or types of industries, sectors, companies, geographic regions or transactions in which it may invest, except as otherwise set forth in the Prospectus or this Supplement. The Sub-Fund may structure its investments through one or more intermediary entities controlled directly or indirectly by the Sub-Fund for the purposes of the ELTIF Regulation (each, an "**Intermediate Vehicle**"). Intermediate Vehicles may include one or more special purpose vehicles, aggregator vehicle and/or underlying holding entities. The Sub-Fund will retain control over any Intermediate Vehicle through corporate and/or contractual arrangements to ensure compliance with regulatory requirements. One or several service providers, including existing services providers to the Sub-Fund and affiliates of Morgan Stanley, may be engaged to provide corporate, administration, management or other services to the Sub-Fund and such other Intermediate Vehicles. The Sub-Fund's performance or portfolio allocation will not be determined by reference to any benchmark.
Investment Limitations	**1** The Sub-Fund is subject to and will conduct its investment operations in compliance with the ELTIF Regulation and the ELTIF CDR, in particular with the following general investment restrictions. Capitalised terms refer to the definitions given to these terms in the ELTIF Regulation. The Sub-Fund may only invest in: • eligible investment assets in accordance with Articles 9(1)(a), 10 and 11 of the ELTIF Regulation, notably eligible investment assets issued by (a) Qualifying Portfolio Undertakings, (b) listed Qualifying Portfolio Undertakings provided their market capitalization, at the time of the investment, does not exceed EUR 1,500,000,000 or (c) target ELTIF, EuVECA, EuSEF,

	UCITS or EU AIF managed by an EU AIFM within the meaning of the AIFMD, provided that those ELTIFs, EuVECAs, EuSEFs¸ UCITS and EU AIFs invest in eligible investments as referred to in Article 9(1) and (2) of the ELTIF Regulation and have not themselves invested more than 10% of their assets in any other collective investment undertaking, and/or (d) real assets (collectively, "**Eligible Investment Assets**"); and • cash and liquid investments in accordance with Article 9(1)(b) of the ELTIF Regulation, notably including transferable securities, bank deposits, target funds and money market instruments fulfilling the relevant criteria (collectively, "**Eligible Liquid Assets**"). **2** Except during a ramp-up period commencing on the First Closing Date and ending on the earlier of (i) the third anniversary of the First Closing Date, and (ii) the fifth anniversary of the Sub-Fund's authorisation as an ELTIF (the "**Ramp-up Period**") and after the End of Life, the Sub-Fund will invest in accordance with the following portfolio composition and diversification rules: • at least 55% of the Capital of the Sub-Fund must qualify as Eligible Investment Assets, where no single Eligible Investment Asset shall exceed 20% of the Capital of the Sub-Fund, in each case, measured at the time of acquisition of such Eligible Investment Asset; and • up to 45% of the Capital of the Sub-Fund, may be invested in Eligible Liquid Assets, where no single Eligible Liquid Asset shall exceed 10% of the Capital of the Sub-Fund, in each case, measured at the time of acquisition of an investment, where such Eligible Liquid Asset has been issued by a single body, subject to the exceptions set out under Article 13 of the ELTIF Regulation. **3** Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognized international accounting rules, shall be regarded as a single Qualifying Portfolio Undertaking or a single body for the purpose of calculating the limits referred to in this section. **4** In the event of a breach of any of the foregoing portfolio composition and diversification rules for reasons beyond the control of the Investment Manager and/or the

	Sub-Investment Manager, the Investment Manager and/or the Sub-Investment Manager will take the necessary measures to correct the situation within an appropriate period of time and with due regard to the interests of the Shareholders of the Sub-Fund. Investments in Qualifying Portfolio Undertakings may only be made in undertakings that are established in countries within the European Union or outside the European Union which, in accordance with Article 11(1)(c) of the ELTIF Regulation, (i) are not identified as high-risk third countries listed in the delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council and (ii) are not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes. Where a Qualifying Portfolio Undertaking, after investment, no longer fulfills the condition to be either unlisted, or if listed, having a market capitalization below EUR 1,500,000,000, then such investment shall continue to be accounted for as Eligible Investment Asset for a maximum duration of three (3) years from the time when the condition is no longer fulfilled. The following additional investment restrictions will apply to the Sub-Fund: • the Sub-Fund will not enter into short selling activities and will not take direct or indirect exposure to commodities trading; • in accordance with the ELTIF Regulation and the ELTIF CDR, a financial derivative instrument shall only be used for hedging risks arising from exposures to assets referred to in Article 9(1) of the ELTIF Regulation; • the aggregate risk exposure to a single counterparty stemming from OTC derivative transactions may not exceed 10% of the value of the capital of the Sub-Fund (measured at both portfolio and share class level, at the time of such a transaction); and • the Sub-Fund may not (measured at the time of acquisition of an investment) acquire more than 30% of the units or shares of a single ELTIF, EuVECA, EuSEF, UCITS or of an EU AIF managed by an EU AIFM in accordance with

	Article 15 of the ELTIF Regulation. **5** The Sub-Fund will neither use securities financing transactions as defined in Article 3 (11) of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("**Regulation 2015/2365**") nor total return swaps as defined in Article 3 (18) of Regulation 2015/2365. This Sub-Fund Supplement will be amended in the event any such transactions should be used in the future. The AIFM, Investment Manager, the Sub-Investment Manager, their affiliates, and their staff may co-invest in the Sub-Fund and co-invest with the Sub-Fund in the same asset, provided that they have put in place organizational and administrative arrangements designed to identify, prevent, manage and monitor conflicts of interest and provided that such conflicts of interest are adequately disclosed.
Global Distributor; Sub-Distributors	**6** The AIFM acts as distributor for the Sub-Fund (the "**Global Distributor**"). The Global Distributor, from time to time in its sole discretion, may appoint one or more sub-distributors including, without limitation, banks, investment advisers, placement agents, intermediaries, registered broker-dealers, trust companies and others, who may or may not be affiliated with Morgan Stanley, on such terms as the Global Distributor may determine (any such person, a "**Sub-Distributor**"). **7** The Sub-Fund may bear all fees and expenses relating to the offering of the Shares and the appointment of the Global Distributor and any Sub-Distributors, including the payment of distribution fees and the reimbursement for the out-of-pocket expenses incurred by the AIFM or any Sub-Distributors in marketing the Shares and any additional amounts they may incur or may have incurred in connection with the marketing of the Shares.
Currency of the Sub-Fund	The Sub-Fund is denominated in U.S. Dollars (USD). However, Share Classes (as defined below) may be denominated in any currency or multiple currencies. While the Sub-Fund is denominated in USD, certain of the Sub-Fund's Organizational Expenses may be charged in EUR. Accordingly, the Sub-Fund may be exposed to

	currency exchange rate fluctuations, which could adversely affect its performance and Net Asset Value.
Net Asset Value Calculation, Publication and Valuation Day	The Net Asset Value for the Sub-Fund and each Share Class (as applicable) shall generally be calculated by the Administrator, under the responsibility of the AIFM, monthly as of the last Business Day of each calendar month, and on such other dates as the Board of Directors may determine, pursuant to the provisions of the Articles of Association and the Prospectus (a "**Valuation Day**"), provided that the first Net Asset Value shall be calculated by the Administrator, under the responsibility of the AIFM, as of the last Business Day of the first full calendar month after the First Closing Date. The Net Asset Value with respect to a specific month will generally be available around the 15th Business Day of the following month.
Shares	The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) shall issue Shares to Shareholders whose Subscription Agreement has been accepted on each Dealing Date as described in section (*First Closing / Subscriptions*) below. All Shares of the Sub-Fund will be registered in the Share Register of the Fund. Each Shareholder shall provide the Board of Directors or their delegates with a postal address and email address for the transmission of all notifications and announcements made by the Sub-Fund. To the extent permitted by law, the transmission of notifications and announcements may be made by way of electronic communication.
Share Classes	The Board of Directors shall be authorised to issue one or more Share Classes which may be subject to different terms and conditions, including potentially different fee, currency, dealing, transfer, information disclosure, liquidity arrangements, hedging arrangements, distribution policies (e.g. accumulating and distributing Share Classes), investor types, or any other criteria to be determined by the Board of Directors. Subject to the ELTIF Regulation and applicable laws, the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) is permitted to waive eligibility criteria or conditions otherwise applicable to one or more Share Classes.

	The Sub-Fund may offer distributing Share Classes whereby the Sub-Fund expects to make distributions to Shareholders on a periodic basis subject to the ELTIF Regulation (the "**Distribution Share Classes**"), and accumulating Share Classes whereby, in lieu of making cash distributions to Shareholders, the Sub-Fund will reinvest any such deemed distributions (the "**Accumulation Share Classes**"). Distribution Share Classes will pay dividends on a periodic basis or, in certain cases, on a different frequency to be determined by the Board of Directors at its full discretion subject to the ELTIF Regulation. The Sub-Fund expects to offer certain Share Classes to certain qualifying Shareholders, which may be subject to a reduced Management Fee and/or Incentive Fee based on criteria such as the timing and/or amount of a Shareholder's subscription. The Sub-Fund expects to offer Share Classes with the following features: - "A" Share Classes: are Share Classes offered to Eligible Investors, directly or through financial intermediaries investing for their own account or on behalf of Underlying Investors / advisory accounts; - "I" Share Classes: are Share Classes reserved to Institutional Investors; - "E" Share Classes: are Share Classes reserved to officers, directors, employees, and agents of Morgan Stanley; - "F" Share Classes: are "early bird" Share Classes made available only during an initial offering period, as further detailed in this Supplement; - "S" Share Class(es): is/are Share Class(es) reserved to Morgan Stanley for the purpose of acquiring the initial Sub-Fund's investments, as further detailed (*Morgan Stanley Seed Capital*); and, - "B" Share Classes: are Share Classes made available to Retail Investors domiciled in Italy (the "**Italian Investors**"). "F0" Share Classes will be available to all Shareholders who subscribe for Shares in the Sub-Fund on or before the date on which the aggregate Subscription Amounts to the Sub-Fund reach an amount considered as appropriate by the Board of Directors from a commercial perspective to close the first early bird subscription period, at its own

	discretion (such date, the "**Class F0 Subscription Termination Date**"). "F1" Share Classes will be available to all Shareholders who subscribe for Shares in the Sub-Fund after the Class F0 Subscription Termination Date and on or before the date on which the aggregate Subscription Amounts to the Sub-Fund reach an amount considered as appropriate by the Board of Directors from a commercial perspective to close the second and final early bird subscription period, at its own discretion (such date, the "**Class F1 Subscription Termination Date**"). Within a category of Share Classes, the Board of Directors may, at its sole discretion, create and issue different Share Classes with different characteristics, provided that such characteristics are within the limits of and/or comply with those set out in Appendix I (*Share Classes*). In particular, the Board of Directors may create and issue Share Classes within the same category that (i) apply different Management Fee rates, provided that such rates do not exceed the maximum specified in Appendix I (*Share Classes*), and/or (ii) impose different eligibility criteria, provided that such criteria are consistent with those described in this Supplement. Share Classes whose name includes the letter "X" are not subject to the Early Repayment Reduction. Within a Share Class, the Board of Directors (or its delegate) may determine that Shares will be issued in successive Series differentiated by their respective issue date, each Series having a specific denomination, identification number and/or code, such as for, but not limited to, the computation of the early fee reduction for each Shareholder as further described under Section "*Redemptions and Liquidity*" below. A complete list of Share Classes available within each category is available upon request at the registered office of the Fund. Should the Board of Directors decide to issue one or more additional categories of Share Classes in this Sub-Fund, or to change any of their characteristics, this Supplement will be amended accordingly. The Board of Directors may make available each Share Class: - as an Accumulation Share Class or a Distribution Share Class, as indicated under column "Type of

	Share" in Annex I (*Share Classes*) of this Supplement; - in any of the Eligible Currencies, as indicated under column "Currency" in Annex I (*Share Classes*) of this Supplement; and - as a Hedged Share Class or non-Hedged Share Class. It is not expected that all potential Share Classes will be available to investors as of the First Closing Date. The list of all Share Classes currently offered by the Sub-Fund is held at the registered office of the Fund and is reflected in Annex I (*Share Classes*) to this Supplement. The Board of Directors will update Annex I (*Share Classes*) on a regular basis to reflect any changes to such list. For the avoidance of doubt, the Board of Directors may, from time to time, make available additional Share Classes within any existing category, and Annex I (*Share Classes*) will be updated accordingly within a reasonable delay. No Share Classes intended to be marketed to Shareholders qualifying as Retail Investors will be launched until a PRIIPs KID has been prepared and made available to eligible retail clients proposing to invest in the relevant Share Class. **8** Share Classes which are subject to a Servicing Fee (as defined below), as detailed in Annex I (*Share Classes*) of this Supplement, will be offered by distributors, investment advisers, and/or intermediaries that are duly authorised to perform such activities, but to the exclusion of the intermediaries that are subject to certain regulatory or contractual requirements which prevent them from receiving a Servicing Fee, including: e) financial intermediaries appointed to effect sales of Shares and which, according to applicable regulatory requirements, are not permitted to receive fees, commissions or non-monetary benefits other than from their underlying clients (in the EU this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis); and f) financial intermediaries rendering non-independent advice and which according to individual fee arrangements with their clients are not permitted to receive fees, commissions or non-monetary benefits from third-parties.

	The Sub-Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions, as well as any gains or losses, will be allocated solely to the Hedged Share Class to which the hedging relates. In accordance with the ELTIF Regulation, all Shareholders in the relevant Share Class offered to Retail Investors shall benefit from equal treatment and no preferential treatment nor specific economic benefits may be granted to individual investors or groups of investors within the relevant Share Class.
Type of Shares	Registered Shares only.
Subscription Amounts	The subscription amount in respect of the relevant Share Class is subject to the minimum set out in Annex I (*Share Classes*) of this Supplement for Shareholders including Intermediaries and Underlying Investors, although the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) may accept subscription amounts of lesser amounts in its absolute discretion, provided that Shareholders are fairly treated (a "**Subscription Amount**").
First Closing and Subscriptions	The first closing of the Sub-Fund, i.e. once Shares are first issued to Shareholders (other than Morgan Stanley), shall occur on or around **1st January 2026**, or any later date as reasonably determined by the Board of Directors in its discretion (the "**First Closing Date**"). The Sub-Fund shall allow monthly subscription requests for Shares to be made which, if accepted, shall be issued at Net Asset Value as of the last Business Day of each calendar month which is also a Valuation Day (the "**Dealing Date**"). Unless waived by the Board of Directors, subscription requests in respect of a given Dealing Date must be received by 1pm Central European Time on the first Business Day of the relevant month (the "**Subscription Cut-Off Date**"). Different cut-off times may apply for trade instructions submitted by Shareholders in different time zones. Shareholders should refer to the local sales documents for

	their jurisdiction to find out which cut-off time is applicable to them. To be accepted, a subscription request must be made with a completed and executed Subscription Agreement in good order, including (a) satisfying any additional requirements imposed by the Global Distributor or Sub-Distributor, as applicable, and (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Fund or its agent or service providers. If a subscription request is rejected for not complying with the preceding conditions (including the settlement of the full purchase price where applicable), the prospective Shareholder shall be notified of such rejection and will be required to submit a new subscription request for the next Dealing Date. Once a subscription request is received by or on behalf of the Fund, such subscription request is irrevocable until the relevant Dealing Date and the payment in respect thereof shall be required to be made to the Sub-Fund by the relevant Investor, unless such subscription request is rejected by or on behalf of the Fund or withdrawn by the Investor with the consent of the Fund. Notwithstanding the foregoing, the Board of Directors (or any other person to whom such powers have been delegated) has the discretion to accept or reject subscription requests in full or in part, and in particular may determine in the best interests of Shareholders that part or all of a subscription request should be deferred to one or more later Dealing Dates. The Board of Directors also has the discretion to declare additional or more frequent Dealing Dates. If accepted, the purchase price per Share will be equal to the Net Asset Value per Share for such Share Class as of the relevant Dealing Date, which shall be finalised and published on or about fifteen (15) Business Days after the Dealing Date (or such other date as the Board of Directors may determine in its absolute discretion) (the **"NAV Publication Date**"). The relevant Shareholder will receive confirmation of the relevant subscription following the NAV Publication Date. A contract note in respect of a valid subscription request, setting out the number of Shares that will be issued to the relevant Shareholder and certain other information, will be sent to the applicable Shareholder on the seventeenth

	(17th) Business Day after the Dealing Date (or such other date as may be notified to a prospective Shareholder by the Board of Directors or its duly authorised delegates). A prospective Shareholder must ensure that the Sub-Fund receives payment for the subscription of Shares by 1pm Central European Time on the third (3rd) Business Day after the NAV Publication Date. Payment for the subscription of Shares can be by electronic payment by prior arrangement with the Board of Directors or its duly authorised delegates. It is expected that the amount of Shares issued to a relevant Shareholder will be determined on the NAV Publication Date with respect to the relevant Dealing Date. Although those Investors that have their subscription requests accepted with respect to any Dealing Date will be treated as having held their Shares from the first day of the relevant month following the Dealing Date, the Sub-Fund will not have access to the relevant subscription payments from such Investors until third (3rd) Business Day after the relevant NAV Publication Date and the Sub-Fund will only be in a position to invest such amounts after the receipt thereof.
Cooling-off period	During the period commencing on the relevant Subscription Cut-Off Date and ending on the date two weeks later, any Retail Investor requesting to subscribe in the Sub-Fund may, by written notice to the Sub-Fund, cancel his or her subscription without penalty, without prejudice to any similar cooling-off right in respect of the same subscription applied by a distributor. Where required by applicable law, certain other Shareholders will be afforded the right to cancel their subscription for Shares within a specified period of time from placing their order for Shares, without penalty. Further information with respect to such "cooling-off" rights shall be set out in the Subscription Agreement for the relevant types of Shareholders or shall otherwise be made available to them.
Morgan Stanley Seed Capital	Prior to the First Closing Date, Morgan Stanley may, and is expected to, subscribe for special Class S Shares issued by the Sub-Fund for purposes of acquiring the Sub-Fund's initial investments. Following the receipt of Subscription Amounts from Shareholders (or at any other appropriate time as determined by the Board of Directors in its discretion),

	Morgan Stanley will be compulsorily redeemed for the entirety of its special Class S Shares, upon which the Sub-Fund would be expected to pay a redemption price in an amount equal to the Net Asset Value of the Class S Shares calculated as at First Closing. The Investment Manager may (in consultation with the AIFM) appoint the Board of Directors (comprised of individuals, a majority of whom will be independent of Morgan Stanley) or one or more other persons (or committee of persons) who are not affiliated with Morgan Stanley (any such person or committee, including the Board of Directors, an "**Independent Person**") to review and approve or disapprove, at the request of the Investment Manager and on behalf of all Shareholders, certain matters in connection with the foregoing (including the redemption price) that require consent under the Advisers Act or other applicable law, and to review and approve or disapprove any other matters presented to them, including certain transactions, measures and other matters arising in connection with actual and/or potential conflicts of interest. Any such approval will be binding upon the Sub-Fund and all the Shareholders. By executing the Subscription Agreement, each Shareholder will consent to the appointment of the Independent Persons to approve, on behalf of all Shareholders, any conflicts and/or transactions requiring approval under applicable laws including section 206(3) of the Advisers Act.
Redemptions and Liquidity	Shareholders will be offered the opportunity to submit requests for their Shares to be redeemed in accordance with the process set out below. Redemptions may take place as of the last Business Day of each calendar quarter which is also a Valuation Day, starting from the first Valuation Day following the period ending twelve (12) months after the First Closing Date (each a "**Redemption Date**"). Redemption requests in respect of a given Redemption Date must be received in writing in good order by no later than 1pm Central European Time on the 75th calendar day prior to the relevant Redemption Date (the "**Redemption Cut-Off Date**" and such period for the submission of valid redemption requests in respect of a Redemption Date being the "**Redemption Period**"). Redemption requests received after the Redemption Cut-Off Date will be deemed to have been submitted for the next Redemption Date.

	Unless otherwise provided in this Supplement, any Shares being redeemed which have been held by Shareholders for less than one year will be subject to an early repayment reduction in an amount equal to 2% of the Net Asset Value of such Shares (the "**Early Repayment Reduction**"). For this purpose, within a given Share Class, Shares may be issued in successive Series, at the discretion of the Board of Directors (or its delegate). In such case, on the relevant Dealing Date, Investors subscribing for the relevant Shares will be allocated to a new Series issued on that Dealing Date. On the first anniversary date of its issuance, Shares of each Series may be consolidated into the oldest Series of the relevant Share Class. The redemption of a Shareholder's Shares will be considered to be made on a "first-in, first-out" basis (i.e., first with respect to the Shares initially issued to such Shareholder, then with respect to the Shares next issued to such Shareholder, and so on) save that, for this purpose, any Shareholder holding Shares issued in successive Series shall be redeemed on the basis of the relevant Series indicated in its redemption request. The Board of Directors (or its delegate) may, from time to time, waive the Early Repayment Reduction, in its discretion, including without limitation in the case of redemptions resulting from death, qualifying disability or divorce or where operational, administrative, and/or system limitations prevent the Early Repayment Reduction from being properly applied to Underlying Investor(s), subject to such conditions as the Board of Directors (or its delegate) may determine. Aggregate redemptions shall generally be limited, per calendar quarter, to the lower of (i) 5% of the prior quarter-end Net Asset Value of the Sub-Fund, or (ii) 30% of the amount of Eligible Liquid Investments available in respect of the Redemption Date and the expected cash flow, forecasted on a prudent basis over twelve months (the "**ELTIF Redemption Limit**") (such applicable limitation, the "**Redemption Cap**"). If during any Redemption Period, redemption requests exceed the Redemption Cap with respect to the relevant Redemption Date, redemption requests shall be accepted from all Shareholders that have submitted valid redemption requests pro rata to the number of Shares in their redemption requests. Any redemption request submitted in excess of the Redemption Cap shall be deemed to have been submitted for the next Redemption Date. Following that period, with respect to the next relevant Valuation Day or period, these redemption and conversion requests will be met in priority

	to later requests, if necessary, on a pro-rata basis among involved Shareholders. The Sub-Fund expects that settlement of Share redemptions which are accepted will generally be made within ninety (90) calendar days of the Redemption Date. In the event of a redemption request, the Investment Manager may generate liquidity to satisfy such redemption by any permissible activities of the Sub-Fund which may include using, without limitation, (i) the Sub-Fund's liquidity reserve, (ii) the Sub-Fund's credit facility, (iii) subscriptions from Shareholders or (iv) income or monetisation proceeds from investments; provided that the Sub-Fund is under no obligation to take any of the above actions. Redemptions of Shares will be made based upon the Net Asset Value per Share as of the Redemption Date. The Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors) shall have the discretion to accept or reject redemption requests in full or in part, and whether and to what extent to fulfil redemptions, and the timing of such fulfilment, provided that such discretion shall be exercised subject to and in accordance with the terms and conditions of this section. Notwithstanding that the Board of Directors shall have the discretion to accept or reject redemption requests, pursuant to AIFMD, the AIFM is ultimately responsible for the Sub-Fund's liquidity risk management function. The AIFM manages liquidity risk taking into account the investment strategy, the liquidity profile and the redemption policy of the AIFs that it manages. For this purpose, the AIFM and the Investment Manager acting as its delegate shall seek to ensure that sufficient immediate liquid assets are available to mitigate potential cash outflows caused by, and to meet client redemptions in, stressed market environments, subject to the conditions set out in this Supplement. The AIFM has a liquidity management policy which is designed to enable it to monitor the liquidity risk of the Sub-Fund. In managing redemption requests, the Board of Directors shall consider the overall liquidity position of the Sub-Fund and comply with the AIFM's liquidity management policy. The systems and procedures employed by the AIFM or the Board of Directors (as appropriate) allow it to apply various tools and

	arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in this Supplement and aggregate redemptions will generally be limited to the Redemption Cap. Notwithstanding the preceding sentence, the Board of Directors shall have the discretion to waive the Redemption Cap, and to accept and service redemption requests in excess of the Redemption Cap, up to the ELTIF Redemption Limit. The Board of Directors may consider using its discretion to waive the Redemption Cap if and to the extent that sufficient projected liquidity is available for this purpose and should this be in the best interests of both redeeming and non-redeeming Shareholders. In exceptional circumstances and not on a systematic basis, the Board of Directors may also suspend redemptions entirely or partially. In making such determinations, the Board of Directors will have regard to the overall projected liquidity position of the Sub-Fund and whether such actions are in the best interests of the Sub-Fund and of both redeeming and non-redeeming Shareholders. The Board of Directors may also amend the ELTIF Redemption Limit to comply with the requirements of the ELTIF Regulation and ELTIF CDR. The Investment Manager may also use the Sub-Fund's credit facility to provide additional liquidity and to bridge subscriptions and redemptions.
Compulsory Redemptions	The Board of Directors, in consultation with the AIFM and the Investment Manager, shall have the power to compulsorily redeem (in whole or in part) the Shares of any Shareholder if the Board of Directors, the AIFM or the Investment Manager determine that the continued participation of a Shareholder is likely to, among other things, (i) require registration of the Shares under any securities laws applicable to the Sub-Fund or the Shares to be redeemed, (ii) cause the Sub-Fund to fail to qualify for an exemption from regulation, or otherwise to be required to be registered as an investment company under the Investment Company Act, (iii) result in the assets of the Sub-Fund being treated as "plan assets" subject to Title I or ERISA or Section 4975 of the Code (or any similar law or regulation), (iv) result in any other material adverse tax, regulatory or other consequences to any Shareholder or the Sub-Fund, (v) result in any violation of other applicable laws or regulations, including ERISA, or (vi) result in any material adverse consequence to the Sub-Fund's investment activities. Additionally, the Board of Directors, in coordination with the AIFM and the Investment

	Manager, may exclude or remove a Shareholder from a particular investment for any of the reasons described in each of cases (iv) through (vi) above through a partial redemption and/or conversion of such Shareholder's Shares. In addition, the Board of Directors will cooperate with the AIFM and/or the Investment Manager to provide notice to a Shareholder compulsorily redeeming the Shares of such Shareholder in the Sub-Fund for "cause" if (i) there is any material breach of such Shareholder's representations, warranties or covenants herein or in the Prospectus, in the Subscription Agreement or related documents executed by such Shareholder (including any obligation to make a payment or a return of capital); (ii) the Shareholder or any beneficial owner of the Shareholder (x) engages in illegal conduct or gross misconduct which the Board of Directors determines could result in reputational harm to the Fund or the Sub-Fund, Morgan Stanley or its affiliates, (y) is convicted of, or pleads *nolo contendere* to, a felony or a serious misdemeanour or (z) illegally or fraudulently obtains the funds with which such Shareholder seeks to invest; (iii) there is any breach of such Shareholder's obligation to keep information confidential in accordance with the Prospectus and the relevant Subscription Agreement; or (iv) any purported transfer of Shares by a Shareholder is not in compliance with the Prospectus, as determined by the Board of Directors. The Board of Directors will cooperate with the AIFM and/or the Investment Manager to compulsorily redeem (in whole or in part) the Shares held by, on behalf or for the account or benefit of Shareholders who do not meet the requirements for the Eligible Investors, as set forth below. To that end, the Sub-Fund will notify the Shareholder of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Valuation Day on which the compulsory redemption will occur. Without prejudice to the provisions of the general part of the Prospectus, any Shareholder notified of a compulsory redemption in accordance with the preceding paragraphs will be considered as a Prohibited Person. Notwithstanding the terms of section (*Redemptions and Liquidity*) above, the redemption price for any compulsory redemption in accordance with the preceding paragraphs or the general part of the Prospectus will be equal to the Net Asset Value of the relevant Shares, less a discount of up to twenty percent (20%) in the case of a Shareholder

	who is found to be a Prohibited Person or if a transfer of the Shares has been made in breach of the Articles of Association or the Prospectus; in each case, to be determined by the Board of Directors in its reasonable discretion in consideration of the damages caused or reasonably likely to be caused to the Sub-Fund and/or the other Shareholders therein, and after deduction of costs and expenses incurred by the Sub-Fund as a result of the redemption. Such redemption price will be payable at the discretion of the Board of Directors, in one or several instalments at the time where payments are made to the remaining Shareholders but in any event no later than at the close of the liquidation of the Sub-Fund. Any Shareholder may inform the Fund that it is subject to regulation under the U.S. Bank Holding Company Act of 1956, as amended (the "**BHCA**," and such Shareholder, a "**BHC Investor**"), and agree that the Sub-Fund will compulsorily redeem a portion of its Shares if, in the opinion of counsel reasonably satisfactory to the Board of Directors, the continued holding by such BHC Investor of such portion would cause such BHC Investor to be deemed to "control" the Sub-Fund under the BHCA or the regulations promulgated thereunder. Compulsory redemptions carried out under the conditions laid out in this section (*Compulsory Redemptions*) shall prevail over redemptions carried out under normal circumstances in accordance with section (*Redemptions and Liquidity*) above.
Transferability of Shares	Transfers will be subject to certain conditions set forth in the Articles of Association and the Prospectus. A Shareholder may sell, assign, encumber, mortgage or transfer its Share(s) in the Sub-Fund, directly or indirectly, only to Eligible Investors, subject to the determination by the Board of Directors (or any person to whom such powers have been delegated by the Board of Directors) that the conditions for transfers of Shares as set out in the Articles of Association and the Prospectus are satisfied. Subject to the foregoing conditions, the Shares in the Sub-Fund are freely transferable. The Sub-Fund does not offer any matching mechanism in accordance with article 19(2a) of the ELTIF Regulation.
Borrowing	The Sub-Fund may, either directly and/or indirectly through any Intermediate Vehicle, borrow and enter into a multi-currency credit facility or other financing transactions or otherwise utilise leverage, incur indebtedness and

	provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment or for working capital purposes, including currency hedging and running expenses, including on a joint and several, cross-collateralized or other basis with other entities managed or advised by Morgan Stanley, and provided that any direct cash borrowing of the Sub-Fund or with recourse to the Sub-Fund shall, in accordance with the ELTIF Regulation, at the time of such borrowing: (i) not represent more than 50% of the Net Asset Value of the Sub-Fund; (ii) where applicable, be in the same currency as the assets to be acquired, or in another currency where currency exposure has been appropriately hedged; (iii) have a maturity no longer than the Life of the Sub-Fund; and (iv) serve the general purpose of making investments, provided that the holdings in cash or cash equivalents of the Sub-Fund are not sufficient to make the investments concerned, or providing liquidity, including to pay costs and expenses. When borrowing cash, the Sub-Fund may encumber its assets to implement its borrowing strategy. The borrowing limit referred to above shall only apply from the date that is the earlier of (i) the end of the Ramp-up Period; and (ii) three (3) years from the date of commencement of the marketing of the Sub-Fund. Such borrowing limits shall be temporarily suspended where the Sub-Fund raises additional capital or reduces its existing capital. Such suspension shall be limited in time to the period that is strictly necessary taking due account of the interests of the investors in the Sub-Fund and, in any case, shall last no longer than twelve (12) months. Within the limits referred to above, the Sub-Fund may in particular borrow money on a short-term basis for up to 364 calendar days, including: (a) in connection with the acquisition of Investments; and (b) to cover any short-term cash flow deficit of the Sub-Fund or to meet any obligation of the Sub-Fund. The Sub-Fund may also enter into guarantees, indemnities, covenants and undertakings in connection with investments made by the Sub-Fund. The Sub-Fund may secure any such borrowings, guarantees, indemnities, covenants and undertakings by mortgage, charge, pledge or assignment of or security interest in the Sub-Fund's assets in accordance with article 16 of the ELTIF Regulation.

	In connection with incurring any indebtedness, the Shareholders may be required to confirm the terms of their subscriptions to the lender(s) in respect thereof and provide such information and execute such documents as such lender(s) or the Board of Directors may reasonably require. To the extent the Sub-Fund incurs any indebtedness secured by the Subscription Amounts, Subscription Amounts of any Shareholders which are subject to Title I of ERISA or Section 4975 of the Code will not be pledged if the pledge would be a non-exempt prohibited transaction for purposes of Section 406 of ERISA or Section 4975 of the Code.
AIFMD Leverage	The AIFMD requires the AIFM to disclose and report regularly on the level of leverage used by the Sub-Fund. In accordance with its risk management function and the investment objectives of the Sub-Fund, the AIFM has set a maximum level of leverage which the AIFM and its delegates may employ on behalf of the Sub-Fund. For the avoidance of doubt, this maximum level of leverage does not include leverage at the level of the Sub-Fund's investments. The AIFM has determined that leverage employed on behalf of the Sub-Fund will not exceed 300% of the Net Asset Value of the Sub-Fund based on the gross method and 300% of the Net Asset Value of the Sub-Fund based on the commitment method (expressed as a percentage and determined under articles 7 and 8 of AIFMR). These limits apply except to the extent that leverage results from borrowings under revolving credit facilities on a short-term basis to make investments pending the drawdown of (and covered by) subscriptions of Shareholders which may, due to their impact on the calculation of leverage under the AIFMR, be unlimited. Such limits should not be viewed as indicative of the amount of leverage that will be employed on behalf of the Sub-Fund or as a target for the Sub-Fund, and it is likely that Sub-Fund-level leverage, if any, will be lower in practice. Shareholders should note that in exceptional circumstances, the CBI may impose limits on the level of leverage that the AIFM is entitled to employ or other restrictions on the management of the AIFM (or its delegates) with respect to the Sub-Fund. Shareholders should note that the level of leverage determined under articles 7 and 8 of the AIFMR does not necessarily provide any reasonable illustration of the overall risk profile of the Sub-Fund.
Hedging	The Investment Manager intends, subject to the conclusion of satisfactory and commercially available

	arrangements with one or more finance providers, to implement or procure the implementation of hedging arrangements in relation to the activities of the Sub-Fund (including in respect of any rate or currency), including in respect of any indebtedness or other borrowing contemplated hereby, capital subscriptions, the acquisition, holding, financing, refinancing or disposition of one or more underlying Private Investments, and as the Investment Manager otherwise determines necessary or appropriate (collectively, "**Applicable Hedging Transactions**"), it being acknowledged that the success of any such hedging activities cannot be guaranteed and may result in losses. Such arrangements are expected to include the use of foreign exchange contracts on a rolling basis, although other over the counter or exchange traded currency products may also be used. Cash interest, fees and other return components will typically not be hedged. A portion of subscription proceeds paid to the Sub-Fund may be held back to facilitate the hedging programme and enable the Sub-Fund to settle any loss, costs and fees due on each derivative contract.
Derivatives and Securities Financing Transactions	The Sub-Fund may not invest in or enter into any form of derivative instruments other than as described in section "Hedging" above. The Sub-Fund may use forward contracts and currency swaps in implementing Applicable Hedging Transactions or in respect of currency hedged Share Classes.
Underlying Investors	Investments in the Sub-Fund may be made (i) directly or (ii) by appointing an Intermediary to hold Shares on behalf of Underlying Investors, in accordance with and subject to the terms of the general part of the Prospectus. If and to the extent agreed with an Intermediary and depending on the terms of the contractual arrangements in place with such Intermediaries, any reference in the Prospectus and this Supplement to "Shareholders" shall be read as a reference to the relevant Intermediary and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on a Shareholder will be, in respect of the relevant Intermediary, applied to the relevant pro-rata portion of the relevant Intermediary's Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the general part of the Prospectus.

	Likewise, voting rights will be exercised by Intermediaries through, depending on the terms of the relevant intermediary arrangement with each Underlying Investor, either a split vote following voting instructions from each Underlying Investor or exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor. In addition, each participation by an Intermediary on account of any single Underlying Investor may be treated as a separate participation from that Intermediary's other participations, in accordance with and subject to the terms of the general part of the Prospectus and the Articles of Association. Where the Global Distributor or any Sub-Distributor holds Shares in its own, or an Intermediary's, name for and on behalf of Shareholders it will act as Intermediary in respect of such Shares. Shareholders are advised to inform themselves of, and when appropriate consult with their Intermediary regarding, the rights that they have in respect of Shares held through the relevant Intermediary service. In particular, investors should ensure that their arrangements with such Intermediaries deal with information being given regarding corporate actions and notifications arising in respect of the Shares, as the Sub-Fund is only obliged to deliver notice to parties inscribed as a Shareholder in the Share Register and can have no obligation to any third party.
Eligible Investors	The Shares in the Sub-Fund will be offered or sold only to, and Shares can only be acquired by, Eligible Investors as defined in the general part of the Prospectus and below and may under no circumstances be legally held or owned by any person who is not an Eligible Investor. For the purposes of this Supplement, "**Eligible Investors**" shall mean any person permitted to hold the legal or beneficial ownership of the Shares in accordance with applicable laws and regulations who are not "U.S. persons" as defined in Regulation S of the Securities Act, are "Non-United States Persons" as defined under CFTC Rule 4.7 and, where applicable, to whom the Shares may be lawfully marketed or offered, including: (xii) EEA investors that qualify or may be treated as professional clients within the meaning of Annex II to MiFID II, EEA Retail Investors or EEA investors who are otherwise eligible for marketing of the Shares, and/or beneficially or legally holding the

	Shares in accordance with the national laws of their home Member State; (xiii) UK investors that qualify or may be treated as professional clients within the meaning of Article 2(1)(8) of Regulation (EU) 600/2014 on markets in financial instruments (as retained in UK law), or UK investors who are otherwise eligible for marketing of the Shares and/or beneficially or legally holding the Shares in accordance with UK law; and (xiv) Non-EEA and non-UK investors to whom Shares may be lawfully marketed and/or beneficially or legally holding the Shares in accordance with applicable laws and regulations. Shares in the Sub-Fund will be marketed and made available to all Eligible Investors, subject to and in accordance with any applicable legal and regulatory restrictions and, other than as described in this Supplement, no further substantive criteria are intended to apply which would limit or deter Eligible Investors from investing in the Sub-Fund.
Communication and announcements to the Shareholders	To the extent permitted by the 1915 Law or any other Luxembourg laws or regulations, an electronic secure platform or other means of electronic communication, in particular emails, may be used for the transmission of all notifications and announcements of the Board of Directors, the Fund, the AIFM and the Investment Manager, such as, for instance information notices, financial reports and corporate information**.**
Conversion of Shares	No conversion of Shares between the different Share Classes of the Sub-Fund or Sub-Funds shall be permitted except as permitted by the Board of Directors (or any other person to whom such powers have been delegated by the Board of Directors).
End of Life and Wind-down Period	The Sub-Fund will continue for ninety-nine (99) years as from the First Closing Date, unless the Sub-Fund is terminated earlier in accordance with the provisions of the Prospectus and this Supplement (such date being the "**End of Life**" date of the Sub-Fund within the meaning of the ELTIF Regulation). The Sub-Fund may be terminated early (i) by a decision of the Board of Directors in accordance with the Articles of

	Association and the general part of the Prospectus; (ii) as a consequence of the liquidation of the Fund by an extraordinary General Meeting of Shareholders of the Fund in accordance with the Articles of Association; or (iii) as a consequence of the liquidation of the Sub-Fund approved by way of Investor Ordinary Consent of the Shareholders of the Sub-Fund, excluding Shares held by Morgan Stanley. Any decision to put the Sub-Fund into liquidation will be subject to the prior non-objection of the CSSF. During the wind-down period of the Sub-Fund, being the final period following the End of the Life, the Sub-Fund will not reinvest investment proceeds received from the realisation of assets via repayment, prepayment, cancellation, sale or by any other means, except in Eligible Liquid Investments (the "**Wind-down Period**"). During the Wind-down Period, the Sub-Fund's remaining assets shall be orderly disposed which is generally expected to take several years due to the potentially illiquid nature of the investments. For the avoidance of doubt, assets of the Sub-Fund may be disposed prior to the start of the Wind-down Period. During the Wind-down Period, the Investment Manager expects to continue to manage investments and the Sub-Fund will continue to pay the AIFM Fee and the Management Fee until such time as all the Sub-Fund's assets have been liquidated. At the end of the Wind-down Period, the Sub-Fund may be put into liquidation in accordance with the provisions of the Prospectus and this Supplement subject to the prior non-objection of the CSSF.
Distributions and Reinvestment	Subject to the terms of this Supplement, as set out under "*Share Classes*", the Sub-Fund expects, depending on each Share Class, to make distributions to Shareholders on a periodic basis subject to the ELTIF Regulation or, in lieu of making cash distributions to Shareholders, to reinvest any such deemed distributions. However, the amount and timing of the making of cash or deemed distributions from the Sub-Fund to Shareholders will be at the discretion of the Board of Directors and shall be subject to holdbacks in respect of reserves. The Sub-Fund cannot guarantee that it will have amounts available to make distributions or for reinvestment, and any such amounts for distributions or reinvestment will be made at the discretion of the Board of Directors (or any other

	person to whom such powers have been delegated by the Board of Directors) based upon what is in the best interest of the Sub-Fund, taking into account the following provisions: (iv) whether there is sufficient cash available for such distribution after taking into account any current or contingent liabilities of the Sub-Fund (including, without limitation, payment of any Operating Expenses); (v) whether such distribution would render the Sub-Fund insolvent; and (vi) whether it is during a period in which the calculation of the Net Asset Value is suspended. The Investment Manager generally applies the following considerations in exercising its discretion to cause the Sub-Fund to allocate its cash resources. Cash of the Sub-Fund which the Board of Directors (or its delegate) determines in good faith (in consultation with the AIFM and the Administrator) to be income generated by the investments net of (i) obligations, costs and expenses paid or accrued by the Sub-Fund (including, without limitation, AIFM Fees, Management Fees, the Incentive Fee and other Operating Expenses (as described in section (*Other Costs*) of this Supplement)), (ii) liquidity reserves and provisions and (iii) cash required to post collateral under any contract ((i) to (iii) together the "**Senior Payment Items**"), will generally be identified as distributable income (the "**Distributable Income**") of the Sub-Fund. The Distributable Income of the Sub-Fund will, subject to applicable regulations and accounting principles, generally be applied as follows: (iv) Distributable Income attributable to Accumulation Share Classes will generally be retained by the Sub-Fund and not distributed; and (v) Distributable Income attributable to Distribution Share Classes will generally be available for distribution to the relevant Shareholders as soon as reasonably practicable following the Valuation Day falling on the last Business Day of each quarter in proportion to the Net Asset Value of the Distribution Share Classes.

	The distribution of Distributable Income in respect of Distribution Share Classes will result in an increase in the Net Asset Value per Share of Accumulation Share Classes relative to the Net Asset Value per Share of otherwise identical Distribution Share Classes, all other things being equal. Cash of the Sub-Fund which the Board of Directors (or its delegate) determines to represent proceeds from the sale or disposal of an investment, a repayment of principal of an investment, a Shareholder's Contribution and any other available cash received by the Sub-Fund which the Investment Manager determines in good faith not to be Distributable Income, will generally be retained by the Sub-Fund and applied: (i) to pay, or create a reserve to pay, any outstanding obligation or indebtedness of the Sub-Fund; (ii) to satisfy, or create a reserve to satisfy, Shareholders' redemption requests; and/or (iii) to make further investments. If requests for redemptions are outstanding, then the Sub-Fund will generally prioritise the satisfaction of such redemption requests (to the extent it is required to do so, taking into account the Redemption Cap) over making new investments. For the avoidance of doubt, the Sub-Fund will generally prioritise payment of, or creation of reserves for, Senior Payment Items over the making of distributions or satisfaction of redemption requests.
Distributions in kind	The Sub-Fund will generally make distributions to Shareholders in cash however, from time to time when the Investment Manager so determines, the Sub-Fund may make distributions of securities to Shareholders in kind, provided that the Shareholders specifically request in writing the distribution in kind (and may always request a cash payment instead) and that no specific rules restrict the transfer of those assets, and subject applicable laws and regulations and in accordance with the conditions set out in the Prospectus. In the event that an in kind distribution is made, the relevant assets shall be deemed to have been sold at their fair value as determined by the AIFM in accordance with the Valuation Policy and confirmed by the Auditor, and the proceeds of such sale shall be deemed to have been distributed in the form of distributable cash to the Shareholders. Distributions in

	kind shall be made in proportion to the aggregate amounts that would be distributed to each Shareholder as determined by the AIFM. Any costs incurred in connection with a distribution in kind may be borne by the Shareholders receiving such distribution in kind or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.
Co-Investment	The Investment Manager may, but will be under no obligation to, in its discretion allocate co-investment opportunities to strategic and other investors, lenders, one or more Shareholders and/or affiliates of the Investment Manager, subject to the provisions of the ELTIF Regulation. Co-investment opportunities may be made available through limited partnerships or other entities formed to make such investments. Co-investment opportunities may be offered where the Investment Manager determines that the size or risk of an Investment is either prohibited by the Prospectus or is not in the Sub-Fund's best interest. In addition, the Investment Manager may form one or more co-investment vehicles to permit employees and certain other designees of Morgan Stanley to invest side-by-side in one or more investments made by the Sub-Fund. The terms of co-investments may differ from those of the Sub-Fund, including with respect to the payment of an incentive fee or incentive allocation and/or management fee; however, each investment in an Investment by a Morgan Stanley co-investment vehicle generally will be on economic terms at the level of the investment no more favourable than those received by the Sub-Fund. No Shareholder shall have a right to any such co-investment opportunities that may be made available, and any co-investment opportunity will be provided to Shareholders at the Investment Manager's discretion (on such terms and conditions that the Investment Manager and the Shareholders participating therein agree).
Allocation of Investment Opportunities	The Investment Manager will allocate investment opportunities among the Sub-Fund, Morgan Stanley, and Morgan Stanley's clients, as applicable, as the Investment Manager determines in its discretion in a manner consistent with the Investment Manager's and its affiliates' internal policies (as in effect from time to time). Certain investment opportunities may be appropriate for some or all of the Sub-Fund, Morgan Stanley, other investment vehicles or other investment accounts managed by Morgan Stanley and/or Morgan Stanley's clients (collectively, "**Morgan Stanley Related Persons**").

	Please see Annex II (*Risk Factors and Potential Conflicts of Interest—Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses*) to this Supplement for further details as to the applicable allocation processes and procedures in respect of the Sub-Fund and the inherent conflicts of interest in connection with such procedures.
Valuation Methodology	Pursuant to the AIFM's valuation policy in respect of the Sub-Fund (the "**Valuation Policy**"), market quotations are generally used to assess the value of investments for which market quotations are readily available. The AIFM (in consultation with the Investment Manager) shall obtain these market quotations from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, otherwise from a principal market maker or a primary market dealer. In the absence of quoted market prices, broker or dealer quotations or alternative price sources, investments are measured at fair value as determined by the AIFM (in consultation with the Investment Manager) in accordance with the Valuation Policy and subject always to approval by the AIFM. Due to the inherent uncertainties of valuation, certain estimated fair values may differ significantly from the values that would have been realised had a ready market for these investments existed, and these differences could be material. When determining fair value, the AIFM may use a variety of methodologies, including but not limited to the original cost of investment, proprietary or third-party valuation models incorporating portfolio management inputs, prices of actual executed transactions in the asset or in comparable assets, and third-party appraisals by parties experienced in valuing similar assets. The valuation methodology will be selected on a case-by-case basis, at the sole discretion of the AIFM, based on the specific characteristics of each investment, and applied consistently. Other factors (i.e. income, markets and assumptions by managers) are considered, such as the appropriateness and reasonableness of the valuation methodology and approach applied by stakeholders in co-investments, such as sponsors or managers, that will be reviewed by the AIFM. As the Sub-Fund generally invests in illiquid Investments, it is expected that market quotations will not be readily available or may be available but not reflective of the fair value of an investment, for the majority of the Private

	Investments. For Private Investments, the fair value will generally be determined on a monthly basis. The AIFM (and/or another Morgan Stanley entity) may engage one or more valuation support agents (each a "**Valuation Support Agent**") to provide independent valuations of the Private Investments, pursuant to a valuation support agreement. The Valuation Support Agent independently values such investments using quantitative and qualitative information provided by the investment professionals of the AIFM, the Investment Manager and the Investments as well as any market quotations obtained from independent pricing services, brokers, dealers or market dealers. The Valuation Support Agent may also provide analyses to support their valuation methodology and calculations. A portion of the portfolio is reviewed on a quarterly basis, and all Private Investments are reviewed at least annually by the Valuation Support Agent. The Valuation Support Agent's preliminary valuations are reviewed by the Investment Manager. The Valuation Support Agent's valuation ranges are compared to the Investment Manager's valuations to ensure the Investment Manager's valuations are reasonable. These valuations are presented to the Investment Manager's valuation committee. That committee ratifies proposed fair valuations and makes recommendations to the Investment Manager and the AIFM, who discuss the valuations and determine the fair value of the investments in good faith based on the foregoing inputs, with the final determination subject always to approval by the AIFM. The role of the Valuation Support Agent and any external appraisers is to provide assistance to the AIFM in respect of the valuation process and not as an "external valuer" within the meaning of AIFMD. The AIFM, in consultation with the Investment Manager, is authorised to apply other appropriate valuation principles and/or make certain adjustments to the Net Asset Value per Share, in order to reflect better the probable realisation value of the Sub-Fund's assets on any Valuation Day, including where the AIFM, in consultation of the Investment Manager, determines that the valuation methods appear inappropriate due to extenuating circumstances or events, and/or to reflect the estimated cost of purchasing or selling the underlying assets of the Sub-Fund. Any adjustments to valuations will incorporate

	estimates of the market impact of specific events or transactions as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time. The Eligible Liquid Assets will be valued in accordance with the Valuation Policy and the general valuation provisions of section 7.2 (*Valuation Procedure*) of the Prospectus.
Reporting	After the end of each financial year, Shareholders will be provided, within six (6) months of year-end, with an audited Annual Report in the Reference Currency, prepared in accordance with Luxembourg generally accepted accounting principles. Shareholders will also be provided with unaudited financial statements on a semi-annual basis within three (3) months of the end of the period to which they refer. The Sub-Fund will also provide the relevant reporting as set out in the Prospectus and as required by AIFMD and other applicable laws and regulations. In addition, the Sub-Fund intends to provide the Shareholders at monthly intervals with a short unaudited statement of the Net Asset Value as determined at each month-end and appropriate information that should allow the Shareholders to carry out a reliable assessment of their investment.
Costs of setting up the Sub-Fund	The Sub-Fund will pay or bear all payments, fees, costs, expenses and other liabilities or obligations incurred in connection with its formation and organisation, including non-amortised costs of setting-up of the Fund as per section 9 (*Fees and Expenses*) of the Prospectus, and with the offering and sale of Shares to investors, including its apportioned amount of such payments, fees, costs, expenses and other liabilities or obligations incurred and not yet amortised at the level of the Fund ("**Organisational Expenses**"). The Organisational Expenses will be paid by the Sub-Fund upon the First Closing Date and subject to, and in accordance with, Luxembourg GAAP as applicable from time to time amortised over five (5) years. Organizational Expenses include all legal and other expenses incurred in the formation and organization of the

	Sub-Fund, as well as the offering of the Shares, including, without limitation, those relating to the preparation of this Supplement, and all out-of-pocket legal, accounting and initial and periodic registration and filing fees (including initial and periodic registration fees related to the use of the AIFMD marketing passport and authorization of the Sub-Fund to operate as an ELTIF) and expenses and all costs incurred in connection with the preparation of any regulatory filings and/or other documentation (including agreements with service providers) in connection with the set-up of the Sub-Fund, but excluding any one-time placement or similar fees received by affiliates of Morgan Stanley with regards to any client of such person introduced to the Sub-Fund by such person. For the avoidance of doubt, Organizational Expenses will include such expenses of any Intermediate Vehicle and any entity through which the Sub-Fund directly or indirectly invests its assets, but will not include costs and expenses of vehicles formed in connection with the structuring, making or holding Investments, which will be Operating Expenses.
Costs related to the acquisition of assets	The Sub-Fund will pay the up-front part of all of its costs and expenses associated with the acquisition, holding, enforcing and disposing of its investments, including extraordinary expenses such as litigation.
Management and performance related fees	**Management Fee:** The Fund will pay to the AIFM annual fees (exclusive of any value added tax or similar tax payable) out of the assets of the Sub-Fund as compensation for its management services (the "**AIFM Fee**"), equal to no more than 0.03% of the Net Asset Value of the Sub-Fund, subject to a minimum charge of EUR 50,000 per annum in respect of the Sub-Fund, as further described in the AIFM Agreement. The AIFM Fee shall be accrued and paid monthly in arrears, with effect from the date of the First Closing Date. For the avoidance of doubt, such fees payable by the Sub-Fund to the AIFM will not be payable out of the Management Fee and will be borne separately by the Sub-Fund. Except as provided for in relation to a particular class of Shares, Shareholders holding Shares shall bear a management fee in respect of the relevant Share Class (the "**Management Fee**") which shall accrue on a monthly basis and shall be payable monthly in arrears. The Management Fee will not accrue and will not be payable before the Fee Holiday Date. Thereafter, the

	Management Fee shall be accrued and paid in accordance with this section (*Management and performance related fees*). The AIFM will be entitled to receive the Management Fee from the Sub-Fund and will further share a portion of or the entirety thereof with the Investment Manager and the Sub-Investment Manager, as compensation for their management services. The Management Fee is described in Annex I (*Share Classes*) of this Supplement and will be calculated with reference to the Net Asset Value of the Sub-Fund as of the beginning of the first calendar day of the applicable month. The Investment Manager may, in compliance with applicable laws and subject to the ELTIF Regulation, waive or reduce the Management Fee charged to certain Investors at its sole discretion. Any such waiver may be effected either by way of rebate to the relevant Investor's account or by purchase of additional Shares by the Investment Manager for the Investor. **Incentive Fee:** The Investment Manager will be entitled to receive an Incentive Fee equal to 12.5% of the Net Profits (as defined below) of the Sub-Fund for the relevant period, taking into account the then balance, if any, of the sum of the Hurdle Amount (as defined below) and the Loss Recovery Account (as defined below), as further described below. Incentive Fees are accrued monthly for each period between two successive Valuation Days (or between the launch date of the relevant Share Class and the immediately following Valuation Day, as applicable), and are crystallized on the last Valuation Day of each calendar year (each a "**Calculation Period**"), provided that (i) the first Calculation Period shall commence on the launch date of the relevant Share Class and end on 31st December of the same year; (ii) each subsequent Calculation Period shall commence on 1st January of each subsequent year and end on 31st December of such year or the liquidation date of the Sub-Fund, as applicable; and (iii) if a Shareholder redeems part or all of its Shares before the end of a Calculation Period, any accrued Incentive Fee with respect to such redeemed Shares will crystallize and become payable on the relevant Redemption Date. For the purpose of calculating the Incentive Fees, such accruals are not deducted from the Net Asset Value. The Investment Manager may, at its sole discretion, waive the Incentive Fee, in whole or in part, with respect to one

	or more Share Classes as it may determine from time to time, subject to the ELTIF Regulation. Specifically, the Investment Manager will be entitled to receive an Incentive Fee in an amount equal to: - First, if the Net Profits for the applicable Calculation Period exceeds the sum of the Hurdle Amount for that period (i.e. applied on a *pro rata temporis* basis) and the Loss Recovery Account (any such excess, "**Excess Profits**"), 100% of such Excess Profits until the total amount allocated to the Investment Manager equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Investment Manager pursuant to this clause; and, - Second, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits. "**Net Profits**" shall mean the amount by which (i) the sum of (A) the Net Asset Value of the Sub-Fund as of the end of the Calculation Period, (B) the aggregate repurchase price of all Shares repurchased during such Calculation Period, if any and (C) without duplication, the amount of distributions made in respect of the Sub-Fund during such Calculation Period, if any, exceeds (ii) the sum of (X) the Net Asset Value of the Sub-Fund as of the beginning of the Calculation Period and (Y) the aggregate issue price of Shares issued during such Calculation Period, if any; each calculated before any Incentive Fee and Servicing Fee. "**Hurdle Amount**" means, for any Calculation Period, that amount that results in a 7% annualized rate of return on the Net Asset Value of the Sub-Fund as of the beginning of the Calculation Period and the aggregate issue price of Shares issued during such Calculation Period, taking into account: i) the timing and amount of all distributions accrued or paid (without duplication) on all Shares minus Operating Expenses accrued for such Calculation Period (including, for the avoidance of doubt, the Management Fee, any interest expenses, and any fees payable in respect of credit facilities or outstanding debt, but excluding Servicing Fee, any distribution and/or stockholder servicing fees and, for the avoidance of doubt, the Incentive Fee); and ii) all issuances of Shares over the period. The ending Net Asset Value used in calculating total return will be calculated before giving effect to any payment / accrual to the Incentive Fee and applicable expenses for the Servicing Fee. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will

	exclude any Shares repurchased during such period, if any. Except as described in Loss Recovery Account below, any amount by which Net Profits falls below the Hurdle Amount will not be carried forward to subsequent periods. "**Loss Recovery Account**" means a memorandum account maintained by the Fund, which will have an initial balance of zero and will be (i) increased upon the close of each Calculation Period by the amount of the net losses of the Sub-Fund for such Calculation Period, before giving effect to any repurchases or distributions for such Calculation Period, and (ii) decreased (but not below zero) upon the close of each Calculation Period by the amount of the net profits of the Sub-Fund for such Calculation Period. For purposes of the Loss Recovery Account, the term "net losses" shall mean the amount by which (i) the sum of (A) the Net Asset Value of the Sub-Fund as of the beginning of the relevant Calculation Period and (B) the aggregate issue price of Shares issued during such Calculation Period exceeds (ii) the sum of (X) the Net Asset Value of the Sub-Fund as of the end of such Calculation Period, (Y) the aggregate repurchase price of all Shares repurchased during such Calculation Period and (Z) without duplication, the amount of distributions paid in respect of the Sub-Fund during such Calculation Period. Shareholders will benefit from the Loss Recovery Account in proportion to their holdings of Shares. For purposes of the "net losses" calculation, the Net Asset Value shall include unrealized appreciation or depreciation of Investments and realized income and gains or losses and expenses (including Organizational Expenses). For the avoidance of doubt, any change in the Net Asset Value of the Sub-Fund directly as a result of subscriptions or repurchases during each Calculation Period are not included for purposes of the "net profits" or "net losses" calculations. Shareholders will benefit from the Loss Recovery Account in proportion to their holdings of Shares, although such benefit may vary depending on when a Shareholder purchases or redeems Shares and the balance in the Loss Recovery Account at such time. The Investment Manager does not return to the Sub-Fund amounts paid to it on net profits that the Sub-Fund has not yet received in cash if such amounts are not ultimately received by the Sub-Fund in cash. If the Sub-Fund does not ultimately receive amounts in cash, a loss would be recognized, which would increase the amount of the Loss Recovery Account and reduce future Incentive Fee payments. Any Incentive Fee payable by the Sub-Fund that relates to an increase in value of the Investments may be computed

	and paid on gain or income that is unrealized, and the Investment Manager is not obligated to reimburse the Sub-Fund for any part of an Incentive Fee it previously received. If an Investment with an unrealized gain subsequently decreases in value, it is possible that such unrealized gain previously included in the calculation of an Incentive Fee will never become realized. Thus, the Sub-Fund could have paid an Incentive Fee on income or gain the Sub-Fund never received. Notwithstanding anything in this section (*Incentive Fee*) to the contrary, amounts otherwise distributable to a Shareholder from the Sub-Fund may, at the discretion of the Board of Directors or any person to whom such powers have been delegated by the Board of Directors, be paid to the Investment Manager as an advance against future Incentive Fee (a "**Tax Advance Amount**"). All calculations of Tax Advance Amounts will be calculated based on certain assumptions as reasonably determined by Morgan Stanley. Notwithstanding anything to the contrary in this Supplement, the Incentive Fee and/or any Tax Advance Amounts with respect thereto may be implemented (in whole or in part, but in any event without duplication) at the level of one or more of the Sub-Fund's subsidiary vehicles and, in any such case, distributions and allocations which any Shareholder is otherwise entitled to receive from the Sub-Fund will be appropriately reduced, and any other appropriate adjustments may be made to give effect to the foregoing. **All fees referenced in this Supplement are exclusive of any applicable tax unless otherwise stated.**
Distribution Costs	The Global Distributor and/or any Sub-Distributor may be paid a servicing fee applicable to the relevant Share Class (the "**Servicing Fee**") for an amount up to the rate disclosed in Annex I (*Share Classes*) of this Supplement per annum calculated on the Net Asset Value of the Shareholder's Shares. The Servicing Fee (if any) is additional to the Management Fee and the AIFM Fee. The Servicing Fee may vary among distributors. The Global Distributor or any Sub-Distributor may also separately charge the Shareholder an upfront fee outside of the Sub-Fund. In addition, certain Sub-Distributors may charge the Sub-Fund a platform distribution and advisory fee in consideration of any platform distribution and advisory

	services provided to the Sub-Fund. Such fee shall be borne by the Sub-Fund as an Operating Expense unless the Investment Manager determines otherwise. For the avoidance of doubt, nothing in this section "*Distribution Costs*" shall be construed as preventing or restricting the AIFM or any of its affiliates from paying remuneration, fees, commissions or other compensation to any Sub-Distributor, Intermediary or other third-party service provider in relation to placement, distribution or marketing services provided to the AIFM or its affiliates, provided that: (i) such payments are made exclusively from the AIFM or its affiliates' own assets, and (ii) such arrangements comply with all applicable laws and regulations.
Other Costs	**Fees for the Depositary** The Depositary is entitled to receive out of the assets of the Sub-Fund an annual depositary fee as set out in the Depositary Agreement, which fee shall be at normal commercial rates and is not expected to exceed 0.0175% of the Net Asset Value of the Sub-Fund. The Depositary fee shall be disclosed in the financial statements of the Sub-Fund. **Fees for the Administrator** The Administrator is entitled to receive out of the assets of the Sub-Fund an annual administration fee as set out in the Administration Agreement, which fee shall be at normal commercial rates and is not expected to exceed 0.04% of the Net Asset Value of the Sub-Fund. The administration fee shall be disclosed in the financial statements of the Sub-Fund. **Investment Banking and Other Fees** The investment banking, restructuring, financing, mergers and acquisitions, underwriting, placement, asset management, financial advisory and brokerage fees and other fees paid by the Sub-Fund or Investments, whether paid to Morgan Stanley or otherwise, will not be shared with the Sub-Fund and will not be credited against future Management Fees. **Other ancillary costs and expenses** As described in section 9 (*Fees and Expenses*) of the Prospectus and further set out below, the Board of

	Directors will charge to the Sub-Fund out of the assets of the Sub-Fund, all expenses, liabilities and costs incurred by the Board of Directors or third parties in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund or its subsidiaries. **Operating Expenses** The Sub-Fund generally will bear any direct or indirect "Operating Expenses" (as defined in section 9.8 (*Operating Expenses*) of the Prospectus) which are attributable to the Sub-Fund in accordance with section (*Investment Expense Allocation*) below. In addition, from time to time, for legal, tax or other structuring purposes, the Sub-Fund may establish different subsidiaries (based in Luxembourg or abroad) through which Investments will be acquired and held. To the extent the Sub-Fund establishes one or more subsidiaries, fees and expenses of any service providers that may be engaged to provide corporate services to the Sub-Fund and such other entities and subsidiaries shall be covered as part of Operating Expenses. Morgan Stanley may provide certain services to the Sub-Fund and the amounts payable by the Sub-Fund for such services may not be negotiated on an arm's-length basis and may be more (or less) than the amount a third party might charge for similar services, if the Investment Manager believes that it will be advantageous for the Sub-Fund to engage Morgan Stanley as compared to engaging a third-party service provider for reasons including, without limitation, the fact that the services provided by Morgan Stanley may be more expedient, superior, or cost effective when compared with those provided by a third party. The Investment Manager may advance funds or arrange for one of its affiliates to advance funds to the Sub-Fund for the payment of Organisational Expenses and Operating Expenses, and the Investment Manager or such affiliate will be entitled to the reimbursement, without interest, of any funds so advanced. **All fees referenced above are exclusive of any applicable tax unless otherwise stated.**

Overall Cost Ratio	The overall cost ratio (being the ratio of the total costs to the Net Asset Value per annum of the Sub-Fund as defined in the ELTIF Regulation) per Class of Shares is set forth in Annex I. The cost ratios represent the currently expected average costs incurred over the life of the Sub-Fund. The actual costs may, in any particular given year and in aggregate during the Life of the Sub-Fund, exceed the average ratio amounts indicated in Annex I. The average yearly overall costs ratio may be higher for the first part of the life of the Sub-Fund and expected to reduce accordingly in later years. The ratio figures set out in Annex I are based on ex-ante estimated costs and therefore the actual costs borne by a Shareholder may differ from those stated in Annex I. Actual costs incurred will be disclosed in the Annual Report. **In compliance with the ELTIF Regulation, the total annual costs are assessed on an 'all taxes included' basis.**
Discretionary Expense Cap	The aggregate amount of (i) the Organisational Expenses, (ii) the AIFM Fee and (iii) the costs and expenses set out in section (*Other Costs*) of this Supplement, may be subject to a discretionary annual cap, applied at the discretion of the AIFM taking into account, among others, the performance of the relevant Share Class, the Net Asset Value of the relevant Share Class, the number of Shareholders in the relevant Share Class and/or the costs generally borne by the investors in similar products across the industry (a "**Discretionary Expense Cap**"). The costs and expenses referred to in *(iii)* in the preceding paragraph shall exclude: • extraordinary or exceptional costs and expenses (such as, but not limited to, costs and expenses related to litigation, arbitration or other proceedings and regulatory investigations (including penalties, fines, damages and indemnifications) in relation to the Fund or the Sub-Funds) referred to under section (*Other Costs*) allocated to a Share Class; and, • any tax, levy, duty or similar charge imposed on the Fund with respect to the Sub-Fund or its assets that would otherwise not qualify as ordinary expenses in relation to the Fund or the Sub-Fund referred to under section "*Other Costs*" allocated to a Share Class (the "**Other Costs**").

	For the avoidance of any doubt, the Other Costs referred to above do not include the AIFM Fee, the Management Fee, the Incentive Fee nor the Distribution Costs. The AIFM will have full discretion in applying the Discretionary Expense Cap to one or more Share Classes, setting or changing the level of the Discretionary Expense Cap, and/or discontinuing the application of the Discretionary Expense Cap, in each case, on a go forward basis. The Annual Report and Semi-Annual Report, as well as, where relevant in any other periodic reports made available to the relevant Investors, will indicate the level of the Discretionary Expense Cap applicable to a Share Class, if any, as an annual percentage of average Net Asset Value. Any Other Costs that exceed the relevant Discretionary Expense Cap for the relevant period (the "**Excess Costs**") will be borne or advanced, as applicable and as further described below, by the AIFM (or any of its affiliates on its behalf). The AIFM shall be entitled to reimbursement from the Fund, out of the assets of the Sub-Fund, for any Excess Costs advanced by it (or any of its affiliates) over the last five (5) years (the "**Reimbursement**"), regardless of whether the Discretionary Expense Cap is applied by the AIFM at the time of the Reimbursement and provided that: (i) the Reimbursement may not exceed the lower between: • the Excess Costs advanced by the AIFM (or any of its affiliates) which are eligible for Reimbursement and not yet reimbursed at the time of calculation, and • the positive difference between (x) the amount representing the Discretionary Expense Cap for the relevant period (as calculated on the basis of the applicable Discretionary Expense Cap or, if no longer applied by the AIFM at the time of calculation, the most recent Discretionary Expense Cap that was applicable), and (y) the Other Costs incurred by the relevant Share Class for such relevant period; and (ii) the Discretionary Expense Cap shall not be increased as long as the AIFM remains entitled to such Reimbursement (i.e. before the end of the five-year period, or until the Reimbursement has been completed or waived by the AIFM).

	Investors' attention is drawn to the fact that the Reimbursement will accrue on each Valuation Day and will be payable on an annual basis in arrears. The Other Costs to be borne by Shareholders are expected to reach the Discretionary Expense Cap until the Reimbursement is fully completed, waived or expired. Any Excess Costs for which the AIFM is not entitled to reimbursement shall be definitively borne by the AIFM (or any of its affiliates on its behalf).
Investment Expense Allocation	The Sub-Fund is expected to bear any investment expenses and other costs and expenses related to any opportunity potentially evaluated for the Sub-Fund or in which the Sub-Fund may have participated (whether or not the associated investment opportunity is consummated by the Sub-Fund), including fees and expenses related to the organisation of any Morgan Stanley-managed co-invest entities, whether for the benefit of other investors, Affiliated Investment Accounts or other third parties, and the marketing or placement of interests therein; provided that the Investment Manager may, acting in good faith and taking into account fair treatment of the relevant entities and where justified, determine in its discretion to allocate such expenses in a different manner, which will be based on certain allocation guidelines that will take into account relevant considerations, including any arrangements and agreements in place with the Affiliated Investment Accounts and whether transactions are ultimately consummated by such Affiliated Investment Accounts.
Sustainability-Related Disclosures	On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the "**SFDR**") was published. The SFDR seeks to provide greater transparency, in the disclosures made to investors, on (i) how sustainability risks are integrated within the management of the fund; and (ii) any environmental/social characteristics or sustainable investment objectives promoted by a fund. The Sub-Fund is an Article 8 product pursuant to SFDR. The Sub-Fund will invest in the following asset classes: Private Equity, Private Real Assets (including real estate and infrastructure assets), Private Credit, and Eligible Liquid Assets (comprising in particular of Public Credit and cash, cash equivalents and other Eligible Liquid Assets subject to restrictions set out in the ELTIF Regulation). With the exception of Eligible Liquid Assets (other than Public Credit Investments), the Sub-Fund will seek to

	promote the following environmental and social characteristics, in respect of these asset classes: **Private Equity and Private Real Assets - PME Scorecard:** The Sub-Fund promotes environmental and social characteristics by seeking to make investments in Private Equity and Private Real Assets that the Investment Manager considers perform well against certain environmental, social and governance criteria in accordance with the Investment Manager's proprietary scoring methodology (the "**PME Scorecard**"). All Private Equity and Private Real Asset investments will be assessed against the PME Scorecard, and the Investment Manager will aim to have at least 50% of such Private Equity and Private Real Asset investments meet the relevant ESG Threshold. The PME Scorecard characteristic will not apply to other investments in the Sub-Fund. **Private Credit - EPIF:** The Private Credit portion of the portfolio is expected to be wholly invested in EPIF, which makes private credit investments that are assessed against certain environmental, social and governance criteria in accordance with the EPIF investment manager's proprietary scoring methodology (the "**EPIF Scorecard**"). Certain ESG exclusions are also applied to EPIF's investments, as described further below in "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*". In due course, the Private Credit portion of the portfolio may be expanded to cover other private credit investments, that may be subject to different environmental or social characteristics. **Public Credit - Calvert Principles:** The Sub-Fund applies the Calvert Principles for Responsible Investment (the "**Calvert Principles**") to assess direct investments into baskets of fixed income securities issued or traded on the public markets ("**Public Credit Investments**") across a number of ESG themes deemed to be material by Calvert Research and Management ("**Calvert**"), and only issuers whose business practices and governance structure are assessed to be consistent with the Calvert Principles are eligible for inclusion in the Sub-Fund's portfolio. The Calvert Principles only apply to the Public Credit Investments portion of the portfolio and therefore do not apply to Private Investments or to Eligible Liquid Assets that are not Public Credit Investments. **Exclusions Policy:** The Sub-Fund also promotes environmental and social characteristics by excluding investments in companies involved in adult entertainment,

	production of controversial and conventional weapons, production of ammunition, production of tobacco, upstream production of palm oil, and oil sand and tar sand development. In addition, the Sub-Fund will not invest in (i) companies that have violated the UN Global Compact or the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; and (ii) companies that generate over 5% of total revenue from any of the following activities: exploration and/or extraction of oil and gas, thermal coal power generation and/or mining, and nuclear power generation. The Exclusions Policy will not apply to the EPIF investment (which is subject to the exclusions policy set out in the supplement relating to EPIF and will only apply to direct investments in companies. • For further information on how the Sub-Fund promotes these environmental and social characteristics, please see Annex V (Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852) of this Supplement.
Confidentiality	Except with respect to tax related matters as described in this Supplement, Shareholders will be required to keep confidential information relating to the Sub-Fund (including its investors and investments).
Legal Counsel	Arendt & Medernach S.A. acts as legal counsel in respect of the Sub-Fund. Walkers (Ireland) LLP acts as legal counsel in respect of the AIFM.
ERISA Considerations	Investment in the Sub-Fund is generally open to institutions, including pension plans and other employee benefit plans and accounts, subject ERISA or the Code. The Board of Directors will use reasonable efforts to conduct the affairs and operations of the Sub-Fund so that the Sub-Fund's assets will not be deemed to constitute "plan assets" subject to ERISA by limiting investment in the Sub-Fund by "benefit plan investors" (within the meaning of Section 3(42) of ERISA) to less than 25% of each class of equity interests in the Sub-Fund, see Section 15 (*Certain Regulatory Law Matters*). Each prospective Shareholder subject to Title I of ERISA or Section 4975 of the Code is urged to consult its own advisors as to the

	provisions of ERISA and/or the Code applicable to an investment in the Sub-Fund. The Sub-Fund reserves the right to exclude "benefit plan investors" and other employee benefit plan investors not subject to Title I of ERISA or Section 4975 of the Code from, or limit investments by such Shareholders in, the Sub-Fund (including, without limitation, by rejecting subscriptions for Shares by, or transfers of Shares to, any such Shareholders or by requiring any such Shareholders to dispose of their Shares in the Sub-Fund in whole or in part at any time) if the Board of Directors determines that participation or continued participation by any such Shareholders causes or could cause the assets of the Sub-Fund to be or continue to be treated as "plan assets" subject to Title I of ERISA, Section 4975 of the Code or similar laws or regulations, or for any other reason in its discretion.
Other Regulatory Considerations	Without the consent of the Shareholders, the Board of Directors will cooperate and consult with the AIFM and the Investment Manager to modify or amend this Supplement to make any changes that the AIFM and/or the Investment Manager determines are necessary or advisable to comply with and / or reduce, eliminate, or otherwise modify the impact on, or applicability to, Morgan Stanley or any of its affiliates, or any fund organised, offered, and / or managed by Morgan Stanley (including the Sub-Fund), of any current or future laws (including as related to taxes and the AIFMD, the AIFM Laws and Regulations, the ELTIF Regulation, the ELTIF CDR and any order, ruling or regulation relating thereto), rules (including as related to regulatory capital rules and any future interpretations that are issued), legal requirements, guidelines or any regulatory restrictions or any interpretation thereof that might otherwise be applicable to Morgan Stanley, the AIFM, the Investment Manager, the Fund and/or the Sub-Fund.
BHCA	Morgan Stanley is a bank holding company (a "**BHC**") under the BHCA. Morgan Stanley has also elected to become a "financial holding company" (an "**FHC**") under the BHCA, which is a status available to BHCs that meet certain criteria. FHCs may engage in a broader range of activities than BHCs that are not FHCs. However, the activities of FHCs and their affiliates remain subject to certain restrictions imposed by the BHCA and related regulations.

	Because, under the relevant facts, Morgan Stanley will be deemed to "control" the Sub-Fund within the meaning of the BHCA these restrictions would be expected to apply to the Sub-Fund as well. Accordingly, the BHCA and other applicable banking laws, rules, regulations and guidelines, and their interpretation and administration by the appropriate regulatory agencies, impose certain restrictions on (1) the transactions and relationships involving Morgan Stanley and its affiliates, the Investment Manager, the Sub-Investment Manager, on the one hand, and the Sub-Fund, on the other hand, and (2) the investments and transactions by, and the operations of, the Sub-Fund. For example, the BHCA regulations applicable to Morgan Stanley and the Sub-Fund may, among other things, restrict the Fund's ability to make certain investments, impose a maximum holding period on some or all of the Fund's investments, restrict the Investment Manager and Sub-Investment Manager's ability to participate in the management and operations of the companies in which the Sub-Fund invests, and restrict the ability of Morgan Stanley to invest in the Sub-Fund. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, positions held by Morgan Stanley and its affiliates for client and proprietary accounts will sometimes need to be aggregated with positions held by the Sub-Fund. In that case, where BHCA regulations impose a cap on the amount of a position that may be held, Morgan Stanley may utilize available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require the Sub-Fund to limit and/or liquidate certain investments. These restrictions have the potential to materially adversely affect the Sub-Fund by, among other things, affecting the Investment Manager or Sub-Investment Manager's ability to pursue certain strategies within the Fund's investment program or trade in certain securities. Moreover, Morgan Stanley may cease in the future to qualify as an FHC, which may subject the Fund to additional restrictions or may result in the restructuring or dissolution of the Sub-Fund. Moreover, there can be no assurance that the bank regulatory requirements applicable to Morgan Stanley and the Sub-Fund will not change, or that any such change will not have a material adverse effect on the Sub-Fund. At any time, the Sub-Fund, the Investment Manager or the Sub-Investment Manager may be restructured in order to reduce or eliminate the impact or applicability of these bank regulatory restrictions on the Sub-Fund or other

	funds and accounts managed by Morgan Stanley and its affiliates. Morgan Stanley may seek to accomplish this result by, depending on the facts and circumstances: requesting that the Board of Directors take certain actions, transferring ownership of or restructuring the Investment Manager or the Sub-Investment Manager, reducing the amount of Morgan Stanley's investment in the Sub-Fund, including transferring some or all of the Class S Shares, or any combination of the foregoing, or by such other means as it determines in its sole discretion. Any such transferee may be unaffiliated with Morgan Stanley. In connection with any such change, the Investment Manager may in its sole discretion assign its right to receive the Incentive Fee or cause another entity to receive the Incentive Fee.
U.S. Dodd-Frank Act and Volcker Rule	The Volcker Rule severely limits the extent to which "banking entities," such as Morgan Stanley (including the Investment Manager and Sub-Investment Manager), may sponsor or invest in a hedge fund or private equity fund that is deemed a "covered fund". The Volcker Rule also prohibits certain "covered transactions" between a banking entity and any of its affiliates, on the one hand, and a covered fund that is sponsored or advised by the banking entity or any of its affiliates (or any other covered fund that is "controlled" by such fund), on the other hand. (a) It is intended that the Sub-Fund will be managed so that it will not constitute a covered fund. Specifically, the Volcker Rule contains an exclusion from its "covered fund" definition for any "foreign public fund" which is defined as an issuer that is (1) organized or established outside of the United States and (2) authorized to, and does, offer and sell ownership interests through one or more "public offerings", provided that if a U.S. banking entity such as Morgan Stanley or any subsidiary thereof (including the Investment Manager and Sub-Investment Manager) serves as the issuer's sponsor, no more than 25% of the issuer's ownership interests are sold, in the aggregate, to such banking entity, such issuer, their affiliates, and directors or senior executive officers of any of the foregoing (a "**Foreign Public Fund**"). (b) For this purpose, a "public offering" means a distribution of securities in any jurisdiction outside the United States to investors, including retail investors, provided that: (1) the distribution is (a) subject to substantive disclosure and retail investor

	protection laws or regulations, (b) complies with all applicable requirements in the jurisdiction in which such distribution is being made, and (c) does not restrict availability to investors having a minimum level of net worth or net investment assets; and (2) the issuer has filed or submitted, with the appropriate regulatory authority in such jurisdiction, offering disclosure documents that are publicly available. (c) Despite the intention and expectation that the Sub-Fund will qualify as a Foreign Public Fund, it is possible that the Federal Reserve could determine that the Sub-Fund does not qualify. In addition, the law could change in a manner that renders the Sub-Fund ineligible. Finally, in the future, Morgan Stanley may determine that it is no longer advisable to manage the Sub-Fund in a manner that qualifies for the Foreign Public Fund exclusion. (d) If the Sub-Fund were to be deemed a covered fund, the Volcker Rule would impose a number of restrictions on Morgan Stanley that affect the Sub-Fund, the Investment Manager, and the Shareholders. For example, any investment by Morgan Stanley in the Sub-Fund would be generally limited to no more than 3% of the ownership interests of the Sub-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 generally to no more than 3% of the Tier 1 capital of Morgan Stanley (the "**Aggregate Investment Limit**"). Moreover, if the Sub-Fund were to be deemed a covered fund, no Morgan Stanley director or employee would be permitted to take or retain an ownership interest in the Fund, except for any director or employee who is directly engaged in providing investment advisory or other qualifying services to the Sub-Fund at the time the director or employee takes such interest. (e) Accordingly, were the Sub-Fund to be deemed a covered fund Morgan Stanley would need to withdraw some (and, likely, a significant portion) of its interest in the Sub-Fund in order to satisfy the Per-Fund Limit. Similarly, the interest of any

	Morgan Stanley director or employee who was not providing requisite services to the Sub-Fund at the time of investment would also need to be redeemed. Withdrawals by Morgan Stanley (and, potentially, certain of its directors or employees) could have a material adverse effect on the Sub-Fund. Moreover, going forward the withdrawal or default of an investor in the Sub-Fund may cause further withdrawals by Morgan Stanley in order to satisfy the Per-Fund Limit. 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 Sub-Fund by Morgan Stanley or certain of its directors or employees would violate the Aggregate Investment Limit and trigger further withdrawals. (f) In addition, were the Sub-Fund to be deemed a covered fund, Morgan Stanley and all of its affiliates would be required to limit their transactions with the Sub-Fund. In general, 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 Sub-Fund. Subject to certain exceptions, this requirement would prohibit extensions of credit to the Sub-Fund, purchases of assets from the Sub-Fund, the acceptance of the Sub-Fund's interests as collateral for a loan to any person, and the issuance of a guarantee, acceptance, or letter of credit on behalf of the Sub-Fund. The inability of Morgan Stanley to engage in such transactions could have a material adverse effect on the Sub-Fund. (g) Morgan Stanley's interests in determining what actions to take in complying with the Volcker Rule may conflict with the interests of the Sub-Fund, the Board of Directors, the Investment Manager, and the Shareholders, all of which may be adversely affected by such actions. In addition, further restrictions and limitations may emerge due to additional regulatory guidance and interpretations or changes in law. Moreover, 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. For the avoidance of doubt:

	(i) any losses in the Sub-Fund will be borne solely by Shareholders in the Sub-Fund and not by Morgan Stanley or any of its affiliates; therefore, Morgan Stanley's losses in the Sub-Fund will be limited to losses attributable to the ownership shares in the Sub-Fund held by Morgan Stanley and any affiliate in its capacity as a Shareholder in the Sub-Fund (if any) or as beneficiary of a restricted profit share held by Morgan Stanley, or any affiliate (if any); (ii) Shareholders should read the entire Prospectus together with this Supplement before investing in the Sub-Fund; and (iii) the ownership shares in the Sub-Fund are not insured by the Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.
Tax Considerations	**There are a series of complex issues related to an investment in the Sub-Fund. Prospective Shareholders are urged to consult their tax advisors with specific reference to their own situations concerning an investment in the Sub-Fund.** **The Sub-Fund is expected to be treated as an association taxable as a corporation for U.S. federal income tax purposes. Due to the nature of the Sub-Fund's investment strategy, it is not expected that the Sub-Fund will be treated as engaged in the conduct of a trade or business within the United States. However, the determination of whether the Sub-Fund will be treated as engaged in a U.S. trade or business will be based on an analysis of all the relevant facts and circumstances, including (i) the substantiality, continuity, and regularity of the Sub-Fund's activities constituting originations of debt investments, and (ii) where such activities are considered to take place, and the application of relevant legal authorities to the Sub-Fund's expected activities may, in some cases, be uncertain** **EACH SHAREHOLDER SHOULD REVIEW THE ENTIRE PROSPECTUS FOR A MORE DETAILED DISCUSSION OF THE TAX CONSIDERATIONS ASSOCIATED WITH AN INVESTMENT IN THE SUB-FUND.**

Risk Factors and Potential Conflicts of Interest	Please refer to Annex II (Risk Factors and Potential Conflicts of Interest) to this Supplement. Investment in the Sub-Fund entails a high degree of risk. No assurance can be given that the Sub-Fund will achieve its investment objective, return any capital to Shareholders, avoid substantial losses, or achieve its targeted returns and investment results may vary substantially over time. As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities and has extensive investment activities that are independent from (and may from time to time conflict with) those of the Sub-Fund. The Investment Manager can give no assurance that any conflicts of interest will be resolved in favour of the Sub-Fund or the Shareholders. Shareholders shall be required to agree that the activities of the Sub-Fund, the AIFM, the Investment Manager, Morgan Stanley, the Morgan Stanley Related Person and their respective employees and affiliates as expressly authorised by or contemplated by the Prospectus or Annex II (Risk Factors and Potential Conflicts of Interest) may be engaged in by such persons and, to the fullest extent permitted by law, will not, in any case or in the aggregate, be deemed a breach of the Prospectus or any other agreement contemplated therein or any duty that might be owed by any such person to the Fund, the Sub-Fund or to any partner in law or in equity or otherwise, and to the fullest extent permitted by law, that such persons shall not have any liability to the Fund, the Sub-Fund or any Shareholder for such actions in respect of such matter taken in good faith by them. On matters involving a conflict of interest not provided for in the Prospectus, each of the AIFM and the Investment Manager will be guided by its good faith judgment as to the best interests of the Sub-Fund and shall take such actions as are determined by the AIFM or the Investment Manager, as the case may be, to be necessary to ameliorate such conflicts of interest, and the AIFM or the Investment Manager may consult with the Board of Directors with respect to any matter as to which the AIFM or the Investment Manager determines in good faith that a material conflict of interest exists. If the AIFM or the Investment Manager acts as described above, if the Board of Directors approves a waiver of such conflict of interest or if the AIFM or the Investment Manager acts in a manner, or pursuant to standards or procedures, for which approval by the Board of Directors is obtained with respect to such conflict of interest, then, to the fullest

	extent permitted by law, none of the AIFM, the Investment Manager, Morgan Stanley, Morgan Stanley Related Persons or any of their respective employees or affiliates shall have any liability to the Sub-Fund or any Shareholder for such actions in respect of such matter taken in good faith by them, including actions in the pursuit of their own interests, and, to the fullest extent permitted by law, such actions shall not constitute a breach of this Prospectus or any other agreement contemplated herein or of any duty or obligation of such person at law or in equity or otherwise. Certain significant risks and potential conflicts of interest are described in more detail in Annex II (Risk Factors and Potential Conflicts of Interest). Each prospective Shareholder should carefully consider and evaluate such risks and conflicts prior to purchasing Shares in the Sub-Fund.
Selling Restrictions	Please refer to Annex V (Selling Restrictions) to this Supplement.

ANNEX I
SHARE CLASSES

	Class	Currency	Type of Share	Min Investment	Initial Issue Price	Management Fee (Max % NAV/Share)	Incentive Fee	Servicing Fee (% NAV/Share)	Overall Cost Ratio (%NAV/Share)
Standard Share Classes	IHA	EUR	Accumulation	€ 10,000	€ 100	1.25%	Yes	None	1.75%
	IA	USD	Accumulation	$ 10,000	$ 100	1.25%	Yes	None	1.75%
	AHA	EUR	Accumulation	€ 10,000	€ 100	1.25%	Yes	0.85%	2.60%
	AHXA	EUR	Accumulation	€ 10,000	€ 100	1.25%	Yes	0.85%	2.60%
	AA	USD	Accumulation	$ 10,000	$ 100	1.25%	Yes	0.85%	2.60%
	BHA	EUR	Accumulation	€ 10,000	€ 100	2.10%	Yes	None	2.60%
	BA	USD	Accumulation	$ 10,000	$ 100	2.10%	Yes	None	2.60%
Reserved for Morgan Stanley	E	USD	Accumulation	$ 10,000	$ 100	None	No	None	0.50%
	S	USD	Accumulation	$ 10,000	$ 100	None	No	None	0.50%
1st Early Bird	F0AHA	EUR	Accumulation	€ 10,000	€ 100	None	Yes	0.85%	1.35%
	F0AHXA	EUR	Accumulation	€ 10,000	€ 100	None	Yes	0.85%	1.35%
	F0AA	USD	Accumulation	$ 10,000	$ 100	None	Yes	0.85%	1.35%
	F0IHA	EUR	Accumulation	€ 10,000	€ 100	None	Yes	None	0.50%
	F0IHXA	EUR	Accumulation	€ 10,000	€ 100	None	Yes	None	0.50%
	F0IA	USD	Accumulation	$ 10,000	$ 100	None	Yes	None	0.50%
2nd & Final Early Bird	F1AHA	EUR	Accumulation	€ 10,000	€ 100	0.50%	Yes	0.85%	1.85%
	F1AHXA	EUR	Accumulation	€ 10,000	€ 100	0.50%	Yes	0.85%	1.85%
	F1AA	USD	Accumulation	$ 10,000	$ 100	0.50%	Yes	0.85%	1.85%
	F1IHA	EUR	Accumulation	€ 10,000	€ 100	0.50%	Yes	None	1.00%
	F1IHXA	EUR	Accumulation	€ 10,000	€ 100	0.50%	Yes	None	1.00%
	F1IA	USD	Accumulation	$ 10,000	$ 100	0.50%	Yes	None	1.00%

Note: a higher minimum investment may apply to certain Shareholders in certain countries, in accordance with local regulatory requirements. In such case, such higher minimum investment shall prevail. Further information may be found in Annex V (*Selling Restrictions*) below.

Each Share Class may also be made available in any of the following "**Eligible Currencies**", converted at spot rate:

- AUD: the legal currency of the Commonwealth of Australia
- BRL: the legal currency of the Federative Republic of Brazil
- CAD: the legal currency of Canada
- CHF: the legal currency of Switzerland
- DKK: the legal currency of the Kingdom of Denmark
- EUR: the legal currency of those Member States participating in the Euro or such successor currency determined by the Board of Directors
- GBP: the legal currency of the United Kingdom
- HKD: the legal currency of Hong Kong
- INR: the legal currency of the Republic of India
- JPY: the legal currency of Japan
- KRW: the legal currency of the Republic of Korea
- NOK: the legal currency of Norway
- NZD: the legal currency of New Zealand
- PLN: the legal currency of Poland
- RMB: the legal currency of the PRC
- SEK: the legal currency of the Kingdom of Sweden
- SGD: the legal currency of the Republic of Singapore
- TWD: the legal currency of Taiwan
- USD: the legal currency of the U.S.

ANNEX II
RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

In addition to the risks set out below, all risk factors and investment considerations detailed in the general part of the Prospectus of ***Cabot S.A. SICAV*** *should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund will realise an attractive rate of return or that there will be any return of capital.*

Prospective investors should carefully evaluate these considerations, which represent some but not all of the potential risks of an investment in the Shares of the Sub-Fund, before becoming an investor in the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Fund, see sections 14 (Conflicts of Interest) and 16 (Certain Risk Considerations) of the Prospectus.

The Sub-Fund

Sub-Fund Classification Under AIFMD. For the purposes of the AIFMD and the AIFM Laws and Regulations, alternative investment funds are classified according to the predominant fund types and investment strategies listed under Annex IV of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012. Considering the investment objective and strategy of the Sub-Fund, in particular its target Private Equity allocation, the AIFM considers that, for the purposes of the AIFMD, the AIFM Laws and Regulations, the Sub-Fund has characteristics which are closer to alternative investment funds classified under the predominant fund type "Private Equity Fund" and expects to classify the Sub-Fund in accordance therewith.

Substantial Redemptions. Notwithstanding the application of the Redemption Cap, substantial requests for the Sub-Fund to redeem Shares in a concentrated period of time could require the Sub-Fund to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions and achieve a market position appropriately reflecting a smaller asset base, causing losses to the Sub-Fund. Substantial redemptions could have a material adverse effect on the Sub-Fund's investment mix and could also cause the Sub-Fund to postpone or suspend future Shareholder redemptions, either of which actions would limit the ability of investors to redeem their Shares and the value of such investments may decline prior to the time when redemption is permitted. At any time, and from time to time, a substantial portion of the Shares may be held by one or a small number of Shareholders. Such concentration of ownership in the Sub-Fund could increase the likelihood of substantial redemptions.

Compulsory Redemptions. The Board of Directors may cause the redemption of all or any part of a Shareholder's Shares that would prevail over redemptions carried out under normal circumstances as laid out in section (*Redemptions and Liquidity*) of this Supplement. Such a redemption could cause such a Shareholder, among other things, to incur transaction costs associated with the (partial or total) liquidation of the Sub-Fund's assets and/or to miss an opportunity to recover earlier losses or to enjoy potentially attractive future returns and could result in adverse tax consequences for that Shareholder.

Substantial Subscriptions. Due to liquidity constraints, the Sub-Fund may not be able to invest all net subscription proceeds on the relevant Dealing Date. To the extent that the Sub-Fund's assets are not invested on the relevant Dealing Date, this could have a negative impact

on the performance of the Sub-Fund, as the Sub-Fund will not be pursuing its investment objective in respect of the portion of its assets held as in cash or other liquid assets.

Subscription Monies and Process. Subscription Amounts received in respect of the Sub-Fund in advance of the issuance of Shares will be held in the cash collection account in the name of the Sub-Fund and will be an asset of the Sub-Fund. Subject to variances in the valuation of the Net Asset Value of the Sub-Fund, investors will be unsecured creditors of the Sub-Fund with respect to the amount subscribed until such Shares are issued. In the event of an insolvency of the Sub-Fund, there is no guarantee that the Sub-Fund will have sufficient funds to pay unsecured creditors in full.

Subscription Capital Amounts Will Not Include Certain Fees. The obligation of each Shareholder to make payments in respect of any placement fees and other payments to placement agents, if applicable, will be in addition to the obligation to settle the entirety of the subscription price in relation to such Shareholder's subscription.

Special Considerations Applicable to the Continuous Offering of Shares. The Sub-Fund may accept additional subscriptions for Shares, from time to time, as determined by the Board of Directors. Additional subscriptions will dilute the indirect interests of existing Shareholders in the Sub-Fund's investment portfolio prior to such subscriptions, which could have an adverse impact on the existing Shareholders' interest in the Sub-Fund if future Sub-Fund investments underperform the prior investments.

Operation of the Subscription and Redemption Collection Accounts. Subscriptions monies received in respect of the Sub-Fund in advance of the issue of Shares will be held in the cash collection account in the name of the Sub-Fund and will be an asset of the Sub-Fund. Shareholders will be unsecured creditors of the Sub-Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other Shareholder rights until such time as Shares are issued. In the event of an insolvency of the Sub-Fund, there is no guarantee that the Sub-Fund will have sufficient funds to pay unsecured creditors in full.

No Minimum Size of Sub-Fund. The Sub-Fund may begin operations without attaining any particular level of assets, but, for the avoidance of doubt, is not obliged to hold the First Closing Date even if one or more third-party investors have applied the invest in the Sub-Fund. At low asset levels, the Sub-Fund may be unable either to diversify its investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information in respect of its investments. To the extent that prevailing market conditions or other factors result in poor overall economic conditions or results during such period, then the diversification of the Sub-Fund's portfolio and/or the aggregate returns realised by the Shareholders may be substantially adversely affected by the relative concentration of such investments.

Notwithstanding the forgoing, the Fund is required to comply with the minimum level of capital required under Part II of the 2010 Law within twelve (12) months from the date on which the Fund has been authorised as an investment company with variable capital (société d'investissement à capital variable) under Part II of the 2010 Law.

Payment of Redemption Proceeds to Redeeming Shareholders Based on Unaudited Data. The calculation and payment of an investor's redemption proceeds may be based on

estimated and unaudited data. Accordingly, adjustments and revisions may be made to the Net Asset Value of the Sub-Fund following the year-end audit of the Sub-Fund or at such other times as is required by CSSF guidelines in this respect and/or applicable laws. However, once paid, no revision to an investor's redemption proceeds is generally made based upon audit adjustments. Thus, the Sub-Fund will not generally seek reimbursement in the event of any overpayment and will not pay additional amounts in the event of an underpayment. As a result, a redeeming investor may be positively or negatively affected by a revision to the Sub-Fund's Net Asset Value. To the extent that such revisions to Net Asset Value decrease the Net Asset Value of the Sub-Fund, the outstanding Shares will be adversely affected by redemptions. Conversely, any increases in the Net Asset Value of the Sub-Fund resulting from such adjustments will be entirely for the benefit of the outstanding Shares. Notwithstanding the above, in the event of a material error in the determination of the Net Asset Value used to calculate redemption proceeds, the Board of Directors may in its discretion (subject to CSSF guidelines in this respect and/or applicable laws) require reimbursement in the event of any overpayment and cause payment of additional amounts in the event of an underpayment.

Adequacy of Reserves. The Sub-Fund may establish holdbacks or reserves, including for forecasted expenses, AIFM Fees, Management Fees, pending or anticipated liabilities or redemptions, investments, claims and contingencies relating to the Sub-Fund. Estimating adequate reserves is complex and inadequate or excessive reserves could negatively affect the investment returns to Shareholders. If the Sub-Fund's reserves are inadequate, the Sub-Fund may not be able to take advantage of attractive investment opportunities or protect its current investments.

Limited Liquidity of Shares in the Sub-Fund. An investment in the Sub-Fund provides limited liquidity since the Shares are subject to the restrictions on transfers and redemption described in this Supplement. There may be a significant period of time between the date as of which Shareholders submit redemption requests and the date as of which they can expect to receive full payment for their redemption proceeds in respect of any redemption request. Shareholders whose redemption requests in respect of any particular Redemption Date are accepted will bear the risk that the Sub-Fund's Net Asset Value may fluctuate significantly between the date as of which the redemption requests were submitted and the relevant Valuation Day with respect to the Redemption Date. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.

Hedging Transactions. In relation to currency hedging undertaken, if any, for the purposes of a Hedged Share Class, Shareholders should note that Share Classes do not constitute separate portfolios of assets and liabilities. Accordingly, while gains and losses on the hedging transactions and the expenses of the hedging program will be allocated to the Hedged Share Classes only, the Sub-Fund, as a whole (including the non-Hedged Share Classes), may be liable for obligations in connection with currency hedges in favour of a specific Share Class.

Luxembourg Tax Considerations. As regards the taxation of the Sub-Fund and of the Investors, reference is made to the Luxembourg Tax section of the Prospectus, except that the Sub-Fund will not be subject to subscription tax due to its ELTIF status. As such, the Sub-Fund will not be liable for corporate income tax, municipal business tax, net wealth tax and subscription tax.

Amendments. The terms governing the Articles of Association and the Prospectus may generally be amended with the approval of the Board of Directors and the Shareholders holding the required majority of Shares, subject to the non-objection of the CSSF. Such

amendments may include changes to the Sub-Fund's investment objectives, investment restrictions and other limitations. In addition, certain terms, including affiliate transaction restrictions, may be waived with the approval of the Board of Directors, to the extent permitted under the Prospectus and applicable laws. Shareholder consent may be granted despite the objection of a large minority in interest of the Shareholders. Any such amendment or waiver may be considered adverse by the Shareholders who did not support the amendment or waiver.

Investment

Investment and Trading Risks. An investment in the Sub-Fund, and in turn in each of the Investments, involves a high degree of risk, including the risk that the entire amount invested may be lost. Certain Investments will invest in and actively trade in securities and obligations using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the equity, fixed income and currency markets, the risks of short sales, the risks of leverage, the potential illiquidity of derivative instruments, claims and other securities and obligations, the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests. An Investment's investment program may utilize such investment techniques as margin transactions, option transactions, short sales, and forward contracts, which practices involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which such Investment may be subject. No guarantee or representation is made that any Investment's investment program or overall portfolio, or various investment strategies utilized or investments made, will have low correlation with each other or with the U.S. equity market or the U.S. credit markets or that any Investment's returns will exhibit low long-term correlation with an Investor's traditional securities portfolio. All investments made by an Investment risk the loss of capital. No guarantee or representation is made that any Investment's investment program will be successful, that any Investment will achieve its targeted returns or that there will be any return of capital invested, and investment results may vary substantially over time.

Nature of Multi-Strategy Investment Strategies. The Sub-Fund pursues a multi-strategy investment approach comprised primarily of private equity, private credit and private real assets investments as well as certain public investments, each of which involves distinct and significant risks. The performance of the Sub-Fund may be adversely affected by unfavorable developments in any one or more of these asset classes. The integration of multiple strategies may also expose the Sub-Fund to risks relating to strategy allocation, correlation of returns, and the ability of the Investment Manager to effectively execute and rebalance exposures across diverse investment types and market environments.

Limited Number of Investments. The Sub-Fund will seek to be well diversified. However, in the event of a material demand for redemptions, the Sub-Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Sub-Fund may be substantially and adversely affected by the unfavourable performance of a single investment.

Unspecified Use of Proceeds. An investment in the Sub-Fund is intended for long-term investors who can accept the risks associated with indirectly investing in Investments. Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the Investments by the Sub-Fund and should expect to rely upon the Investment Manager to identify, structure and implement investments

consistent with the Sub-Fund's investment objectives. No assurance can be given that the Sub-Fund will be successful in obtaining suitable investments or that, if the investments are made, the objectives of the Sub-Fund will be achieved, and that Shareholders will receive a return of their capital or that the Sub-Fund will avoid substantial losses.

Use of Intermediate Holding Entities. The Sub-Fund may establish intermediate holding entities to invest indirectly in investments or to undertake activities ancillary to the Sub-Fund's investment activity. An intermediate holding entity may be subject to restrictions on when and how much of its assets can be distributed and so the Sub-Fund may find that an intermediate holding entity has cash trapped in that intermediate holding entity for a significant period of time before it can be repatriated or distributed directly or indirectly to the Sub-Fund. In addition, the board of directors or corresponding governing body of an intermediate holding entity may have the power to determine in its discretion the amount of income or gains of such intermediate holding entity that will be paid or distributed to the Sub-Fund.

Highly Competitive Market for Investment Opportunities. The business of identifying and structuring Investments of the types contemplated by the Sub-Fund is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally is subject to market conditions, the prevailing regulatory and political climate and competition from other investors, including investors that have lower cost of funds, more available capital or access to funding sources that are not available to the Sub-Fund and who may have higher risk tolerances or different risk assessments, which may allow them to consider a wider variety of investments or different return targets than those of the Sub-Fund. The Sub-Fund will be competing for Investments with other investment funds, as well as with companies, individuals, financial institutions and other market participants engaged in similar or overlapping investment strategies. Additional sponsors or competitors may enter the market during the Sub-Fund's life, increasing competition and making it even harder for the Sub-Fund to find attractive investment opportunities. Other firms and institutions are seeking to capitalise on the perceived opportunities with vehicles, funds and other products that are expected to compete with the Sub-Fund for Investments. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than the Sub-Fund, and thus these competitors may have advantages not shared by the Sub-Fund. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the sponsors or borrowers of a particular target investment, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Investment Manager or the Board of Directors. Strong competition for Investments could result in fewer investment opportunities for the Sub-Fund. The Investment Manager may identify an investment that presents an attractive investment opportunity but may not be able to complete such investment in a manner that meets the objectives of the Sub-Fund. The Sub-Fund may incur significant expenses in connection with the identification of investment opportunities and investigating other potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, and legal, accounting, and other professional services as well as the fees of other third-party advisors. Even if attractive investment opportunities are identified, there is no certainty that the Sub-Fund will be permitted to invest in such opportunity (or invest in such opportunity to the fullest extent desired), or that if such Investments are made, the objectives of the Sub-Fund will be achieved. Upon a successful bid, legal or contractual transfer restrictions, including rights-of-first-refusal, change-of-control, and other similar provisions applicable to such investment may prevent the Sub-Fund from acquiring all or a portion of such investment. Completing the acquisition of an interest in a private equity fund generally requires the consent of the board of directors, as applicable, of that fund, and there is no assurance that the Sub-Fund will be able

to obtain such consent.In addition, as further described below, each of the Sub-Fund and Morgan Stanley are subject to regulatory considerations and potential conflicts of interest that may affect the Sub-Fund's ability to pursue certain investment opportunities.

Accordingly, there can be no assurance that the Sub-Fund and its Private Investments will be able to identify and complete attractive Investments in the future or that they will be able to invest fully their subscriptions or commitments, as the case may be. In addition, the Investment Manager may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment.

Finally, there are other funds sponsored, managed or advised by Morgan Stanley and its affiliates that are or may be seeking investment opportunities similar to those the Sub-Fund or a Private Investment is or may be seeking, and Morgan Stanley and such other funds have no obligation to offer any opportunities it or they may identify to the Sub-Fund or such Private Investment. There can be no assurance as to the number of investment opportunities that will be presented to the Sub-Fund, or that the opportunities presented will be equally tax efficient for each of the entities constituting the Sub-Fund.

Investments That May Become Distressed. The Sub-Fund may make Investments that become distressed due to factors outside of the Investment Manager's control. No assurance can be given that there will be sufficient collateral to cover the value of the Sub-Fund's Investments or that there will be a successful reorganisation or similar action of an Investment that becomes distressed. In any liquidation or reorganisation proceeding relating to an Investment, the Sub-Fund may lose its entire investment and may be required to accept payment over an extended period of time and/or to accept cash or securities with a lesser value than the Sub-Fund's original investment. As a result, the returns generated from the Sub-Fund's Investments may not compensate the Shareholders adequately for their assumed risks. For instance, at times, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims disallowed, or subordinated, or may be found liable for damage suffered by parties as a result of such actions. Additionally, with respect to an Investment's insolvency, payments to the Sub-Fund and distributions by the Sub-Fund to the Shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in restructurings may be subject to various laws enacted in the countries of their issuance for the protection of debtors. These considerations will differ based on each Investment's location or domicile.

Troubled company and other asset-based investments require active monitoring and may, at times, require the Investment Manager to participate in business strategy or reorganisation proceedings. To the extent that the Investment Manager becomes involved in such proceedings, the Sub-Fund may participate more actively in the affairs of such company than a Shareholder generally anticipated. Furthermore, involvement by the Investment Manager in an Investment's reorganisation proceedings could result in the imposition of restrictions limiting the Sub-Fund's ability to liquidate their position in the Investment. Such investments would likely take more time to realise before generating any returns and may not pay current proceeds during the course of reorganisation, which would delay the return of capital to Shareholders.

Sub-Fund's Lack of Control Over Investments; Minority Investor. There are numerous circumstances under which the Sub-Fund may not have complete or even partial control over decisions affecting an Investment. For example, the Sub-Fund, may originate or acquire an Investment that represents a minority position in an equity stake or debt tranche where third-party investors may control amendments or waivers or enforcement. In addition, administrative

agents may be appointed under certain facilities in which the Sub-Fund may invest that have discretion over certain decisions on behalf of the investors, including the Sub-Fund.

For these reasons, the Sub-Fund may also be limited in its ability to obtain ongoing or periodic ESG information from Investments or to take appropriate action if an Investment declines from an ESG perspective and/or no longer meets its Article 8 SFDR characteristics.

Investors Will Not Have Any Direct Interest in Investments. The offering of Shares does not constitute a direct or indirect offering of interests in the Sub-Fund's Investments. Investors will not be investors in Investments or equity holders in Investments, will have no direct interest in Investments and generally will have no voting rights in the Sub-Fund's Investments or standing or recourse against any of the Sub-Fund's Investments. Moreover, none of the Investors will have the right to participate in the control, management or operations of any of the Sub-Fund's Investments or have any discretion over the management of any of their Investments by reason of their investment in the Sub-Fund.

Termination of Interest in a Private Investment. A Private Investment may, among other things, terminate the Sub-Fund's interest in such Private Investment if the Sub-Fund fails to satisfy any capital call by such Private Investment or if such Private Investment determines that the continued participation of the Sub-Fund in such Private Investment would have a material adverse effect on such Private Investment or its assets.

Expedited Transactions. Investment analyses and decisions by the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Investment Manager at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Investment Manager will have knowledge of all circumstances that may adversely affect an Investment, and the Sub-Fund may make investments which it would not have made if more extensive due diligence had been undertaken. In addition, the Investment Manager may rely upon independent consultants and advisors in connection with its evaluation of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and advisors or to the Sub-Fund's right of recourse against them in the event errors or omissions do occur.

Counterparty, Settlement and Local Intermediary Risk. From time to time, certain securities markets have experienced operational clearance and settlement problems that have resulted in failed trades. These problems could cause the Sub-Fund to miss attractive investment opportunities or result in the Sub-Fund being liable to third parties by virtue of an inability to perform the Sub-Fund's contractual obligation to deliver securities or close transactions. In addition, delays, and inefficiencies of the local postal, transport and banking systems could result in missed rights and entitlements, the loss of funds (including dividends) and exposure to currency fluctuations. To the extent the Sub-Fund invests in securities, swaps, derivatives, or other over-the-counter transactions, in certain circumstances, the Sub-Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of transfer, clearance or settlement default. Transactions entered directly between two counterparties may expose the parties to the risk of counterparty defaults. Such risks may be exacerbated with respect to certain foreign securities or transactions with certain foreign counterparties. It is expected, but in no way assured, that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Sub-Fund and hence the Sub-Fund should not be exposed to credit risk with regard to such parties. Certain of the Sub-Fund's transactions may be undertaken through local brokers, banks, or other organisations in the countries in which the Sub-Fund may make Investments, and the Sub-Fund will be subject to

the risk of default, insolvency, or fraud of such organisations. The collection, transfer and deposit of bearer securities and cash expose the Sub-Fund to a variety of risks including theft, loss, and destruction. Finally, the Sub-Fund will be dependent upon the general soundness of the banking systems of these countries.

Guarantees of Certain Investments. Guarantees by subsidiaries or other affiliates of Investments that are the issuers of investments may be subject to fraudulent conveyance or similar avoidance claims made by other creditors of such subsidiaries or other affiliates resulting in such creditors taking priority over the claims of the Sub-Fund under such guarantees. Under U.S. federal or state fraudulent transfer law, a court may void or otherwise decline to enforce such guarantees, and as a result the Sub-Fund would no longer have any claim against the applicable guarantor. Sufficient funds to repay the investments may not be otherwise available to the applicable Investment that are the issuers thereof. In addition, the court might direct the Sub-Fund to repay back to the Investment amounts that the Sub-Fund already received from the borrower or a guarantor. The repayment of the Sub-Fund's investments may depend on cash flow from subsidiaries of Investments that are not themselves guarantors of the parent company's obligations or that can be released as guarantors of the parent company's obligations.

The Sub-Fund May Guarantee the Obligations of Private Investments and/or Affiliates of the Sub-Fund. Although the Sub-Fund does not expect to, the Sub-Fund may guarantee the obligations of Private Investments and/or affiliates of the Sub-Fund. As a result, if any such Private Investment or affiliate defaults on its obligations, the Sub-Fund will be required to satisfy such obligations. In order to do so, the Sub-Fund may use the Subscription Capital Amounts or liquidate some or all of its investments prematurely at potentially significant discounts to market value.

Potential Impact of a Small Number of Investments. To the extent the Sub-Fund concentrates Investments in a particular entity, vehicle, asset, borrower, security, geographic region or industry, its Investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return, if any, realised by a Shareholder may be materially adversely affected by the unfavourable performance of even a single Investment by the Sub-Fund or unfavourable developments in one or a small number of issuers, types of securities, geographic regions, or industries.

Temporary Investments in Cash Management Products. Subject to applicable laws, the Sub-Fund may at times keep a portion of its assets in cash, cash equivalents or other short-term, high grade liquid assets, including, without limitation, government securities, commercial papers, interest bearing or overnight deposits or open-ended mutual funds that invest in government securities or repurchase agreement. Such temporary investments may be financed by entering into repurchase agreements and/or reverse repurchase agreements with the Sub-Fund's brokers or by other means. Shareholders should be aware that such temporary investments usually produce a lower return than other investments contemplated by the Sub-Fund and therefore may impact the overall performance of the Sub-Fund.

To more efficiently invest short-term cash balances held by the Sub-Fund, the Investment Manager may also invest such balances on an overnight "sweep" basis in shares of one or more money market funds or other short-term vehicles. In connection with any of these investments, the Sub-Fund will bear all fees pertaining to the investment, including advisory, administrative or 12b-1 fees, and no portion of any fees and expenses otherwise payable by

the Sub-Fund will be offset against Management Fees payable in accordance with any of these investments. The Investment Manager nonetheless believes these sweep investments are in the best interests of the Sub-Fund and are made on fair and reasonable terms.

Undervalued Investments. The Sub-Fund's investment strategy with respect to certain types of Investments may be based, in part, upon the premise that certain Investments that are otherwise performing may from time to time be available for purchase by the Sub-Fund at "undervalued" prices. Purchasing interests at what may appear to be "undervalued" or "discounted" levels is no guarantee that these Investments will generate attractive risk-adjusted returns to the Sub-Fund or will not be subject to further reductions in value. No assurance can be given that Investments can be acquired at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of the Board of Directors.

Unspecified Use of Proceeds. Investment in the Sub-Fund is intended for long-term investors who can accept the risks associated with indirectly investing primarily in Investments, which, as of the date of this Supplement, have not been selected. Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the Investments by the Sub-Fund and should expect to rely upon the Investment Manager to identify, structure and implement investments consistent with the Sub-Fund's investment objectives. No assurance can be given that the Sub-Fund will be successful in obtaining suitable investments or that, if the investments are made, the objectives of the Sub-Fund will be achieved, and that Shareholders will receive a return of their capital or that the Sub-Fund will avoid substantial losses.

Multiple Levels of Expense. The Investments may incur their own management and/or administrative fees, costs and expenses. These fees, costs and expenses may result in greater expense to the Shareholders than if the Shareholders were able to invest directly in the Investments.

Lack of Operating History. Although key personnel of the Investment Manager have extensive experience investing in the private equity market, operating businesses, leading mergers and acquisitions, and/or capital market transactions, the Sub-Fund is a newly formed entity with no significant operating history or investment record upon which to evaluate the Sub-Fund's likely performance. There can be no assurance that the Sub-Fund's targeted returns will be achieved, that the Sub-Fund will achieve comparable results, that the returns generated by the Sub-Fund will equal or exceed those of other investment activities of Morgan Stanley and that the Investment Manager or that the Sub-Fund will be able to implement its investment strategy or achieve its investment objectives.

Private Equity

Risks Relating to Start-Up, Early-Stage, and Subordinated Investments: The Sub-Fund may invest in start-up, early-stage, or less-established companies, as well as in mezzanine debt and preferred equity securities. These investments involve a high degree of business, financial, and liquidity risk, and may result in partial or total loss of capital. Early-stage companies often lack operating history, may operate at a loss, and typically require substantial ongoing capital to support operations, expand, or remain competitive. They may face intense competition from larger, better-capitalised entities, rely on a limited number of key personnel, and operate in rapidly evolving industries with significant risk of technological obsolescence. Their securities are often thinly traded, volatile, and more sensitive to adverse developments.

The Sub-Fund may be exposed to dilution in future funding rounds, and adverse market conditions may limit exit opportunities or impair valuations. Mezzanine and other junior securities in which the Sub-Fund may invest are generally unsecured, subordinated to substantial amounts of senior debt, and may lack the protective covenants available to senior lenders. In a default, bankruptcy, or liquidation scenario, junior capital ranks behind senior creditors and preferred equity holders, and available remedies may be limited by senior debt terms. If an Investment fails to generate sufficient cash flow or access additional financing, the Sub-Fund may experience significant losses on such investments.

Market Conditions and Opportunities. The Sub-Fund's strategy relies, in part, upon the availability of appropriate investment opportunities identified by the Investment Manager, the continuation of existing market conditions or, in some circumstances, upon more favorable market conditions or anticipated investment opportunities existing prior to the termination of the life of the Sub-Fund. These conditions and opportunities may include, among others, the existence of consolidation opportunities in a particular industry, the continuation of certain existing laws, regulations or government policies or the continuation of certain unemployment, inflation, demographic and other trends. No assurance can be given that such conditions or opportunities will arise or continue, as applicable, or that businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the Investment Manager. Growth rates and other trends do not imply, forecast, or predict future results.

Difficulty and Cost of Locating Suitable Investments. Although the Investment Manager has been successful in identifying suitable investments in the past, there is no guarantee that suitable deal flow will be available so that the Sub-Fund. The success of the Sub-Fund depends on the ability of the Investment Manager to identify, select, effect and realise appropriate investments. The availability of investment opportunities may be affected by market conditions. In particular, in light of changes in such conditions (including, for example, changes in long-term interest rates), certain types of investments may not be available to the Sub-Fund on terms that are as attractive as the terms on which opportunities were available to funds managed by the Investment Manager in the past. Accordingly, the Sub-Fund may only make a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few investments could significantly affect the return to investors. No assurances can therefore be given that the target returns of the Sub-Fund will be achieved or that the Sub-Fund will receive returns commensurate with other funds managed by the Investment Manager. The Investment Manager may expend significant resources and incur significant costs in relation to a potential Investment for the Sub-Fund. Such costs will be charged to the Sub-Fund and may not be recoverable, particularly if the Sub-Fund's bid for the investment is unsuccessful or if the investment is not completed for any other reason.

Failure by Other Investors to Meet Capital Calls of Private Investments. The Sub-Fund may be one of many investors in Private Investments, many of which will have capital contribution obligations over an extended period of time. Failure by one or more other investors to meet a capital call of a Private Investments could have adverse consequences for the Sub-Fund. The Private Investment may be permitted to require the Sub-Fund and other investors in the Private Investment to contribute additional capital to satisfy the shortfall. If the Private Investment is unable to raise sufficient capital to consummate the proposed investment, the underlying manager may not be able to diversify its portfolio, which could adversely affect results of such Private Investment and could also result in the Private

Investment's investments being concentrated in relatively few industries and regions. Furthermore, the Private Investment may not have sufficient capital to contribute capital to existing entities in which investments have been made that may be necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular Private Investment, the Private Investment could default in its obligations, which could result in the termination of the Private Investment, causing a lower return or a loss for the Sub-Fund.

Minority Investments. The Private Investments are expected to include minority and/or non-controlling, direct or indirect interests of Investments. As a result, in such cases, the Sub-Fund typically will have a limited ability to exert influence over the Investments in which the Sub-Fund invests. In such cases, the Sub-Fund will rely on the existing management and board of directors or similar body of such entities, which is expected to include representation of other investors with whom the Sub-Fund is not affiliated and whose interests may conflict with the interests of the Sub-Fund. In holding non-controlling interests, the Sub-Fund will have a limited ability to create additional value in the entities in which it invests by effecting changes in the strategy and operations of these entities or to protect its positions in such entities or to create or take advantage of exit opportunities. The Sub-Fund's inability to control the timing of the making, restructuring, refinancing and exiting of its investments may adversely affect performance. The timing and extent to which the Sub-Fund realizes proceeds from any disposition or other liquidity event with respect to any Private Investment may depend on the decisions and actions of others, including the sponsors that offered the co-investment opportunity to the Investment Manager. The management of Investments may make business, financial or management decisions with which the Investment Manager does not agree or such management may take risks or otherwise act in a manner that does not serve the Sub-Fund's interests. There can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of an Investment or the interpretation of applicable law or regulations, investments by the Sub-Fund will not be deemed to have control elements for certain contractual, regulatory or other purposes. In addition, in circumstances where the Sub-Fund holds minority/and/or non-controlling positions, the Investment Manager may be limited in its ability to provide support services, including through the provision of support assistance personnel to Investments.

Investments in Small and Middle Market Capitalization Companies. The Sub-Fund expects to invest in Private Investments including small and middle market capitalization companies. The securities of such companies generally have lower liquidity and higher price volatility than those of companies with larger capitalization. In addition, the securities of small and middle market capitalization companies pose greater investment, business and financial risks and can result in substantial losses due to special risk factors. For example, such companies may have limited product lines, distribution channels and financial and managerial resources and typically are subject to a greater degree of change in earnings and business prospects than issuers with larger market capitalizations. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The securities of small and middle market capitalization companies are often traded over-the-counter or on regional exchanges, may not be traded in the volumes typical on a national securities exchange and may also be more difficult to value than other types of securities. Additionally, transaction costs for these investments are often higher than for investments in larger capitalization companies.

Investments in Non-Listed Enterprises and Securities. The Sub-Fund will make investments in non-listed enterprises and securities. Non-listed enterprises and securities are generally not governed by investor protection provisions of applicable securities laws and relevant regulations, such as rules on corporate governance and information disclosure. Accordingly, the Sub-Fund's investments in non-listed enterprises and securities may be riskier than investments in the stocks or bonds of listed companies. The Investment Manager may make inappropriate decisions due to the lack of information and therefore cause the Sub-Fund to suffer losses.

Investments in Troubled or Highly Leveraged Companies. Though it does not expect to do so directly, the Sub-Fund may invest indirectly through Private Investments, in securities and obligations of entities that are experiencing significant financial or business distress or entities involved in work-outs, liquidations, reorganizations, bankruptcies and similar transactions. While these Investments may offer the potential for high returns, they also bring with them correspondingly greater risks and may not show any return for a considerable period of time. Securities and obligations of entities that are experiencing significant financial or business distress typically remain unpaid unless and until the entity reorganizes and/or emerges from insolvency proceedings and, as a result, such securities and obligations may have to be held for an extended period of time, during which the issuer might not make any interest or other payments. Defaulted obligations might not be repaid at all.

There are a number of significant risks when investing in distressed companies that are or may be involved in bankruptcy proceedings, including adverse and permanent effects on a company, such as the loss of its market position and key personnel, and if converted to a liquidation, a possible liquidation value of the company that is less than the value that was believed to exist at the time of the investment. Bankruptcy proceedings are often lengthy and difficult to predict, and could adversely impact a creditor's return on investment. In addition, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor. Under certain circumstances, payments to Private Investments or distributions by Private Investments to the Sub-Fund may be reclaimed if any such payment is later determined in a bankruptcy proceeding to have been a preferential payment. Many of the events within insolvency proceedings are adversarial and often beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that the court administering such proceedings would not approve actions which may be contrary to the interests of Private Investments and, consequently, the Sub-Fund.

The level of analytical sophistication, both financial and legal, necessary for successful investment in entities experiencing significant business and financial distress is very high. There is no assurance that the Investment Manager, the Sub-Fund or the Private Investments will correctly evaluate the nature and magnitude of the various factors that could affect the prospect for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an entity in which a Private Investment invests, such Private Investment may lose its entire investment or may be required to accept cash or securities and obligations with a value less than such Private Investment's original investment.

Investments in companies undergoing M&A activities. The Sub-Fund may invest directly, or indirectly through underlying funds, as well as with co-investees in entities that are involved in (or are the target of) acquisition attempts or tender offers. In any investment opportunity involving these types of transactions, there exists the risk that the transaction will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security,

the value of which will be less than the purchase price to the Sub-Fund. As a result, the Sub-Fund may suffer a loss, which may be complete, on its investment.

Risks Relating to Due Diligence of and Conduct of Investments. Before making investments, the Investment Manager will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, sustainability-related risks and legal issues. Investment analyses and decisions by the Investment Manager may be undertaken on an expedited basis in order for the Sub-Fund to take advantage of available investment opportunities. In such cases, the information available to the Investment Manager at the time the Sub-Fund makes an investment may be limited, and the Investment Manager may not have access to the detailed information regarding the investment opportunity, in each case, to an extent that may not otherwise be the case had the Investment Manager been afforded more time to evaluate the investment opportunity. There may also be other reasons that the information available to the Investment Manager prior to the Sub-Fund making an investment may be less than is generally the case. Therefore, no assurance can be given that the Investment Manager will have knowledge of all circumstances that may materially and adversely affect an investment. Further, the Sub-Fund may conduct its due diligence activities in a very brief period and may assume the risks of obtaining certain consents or waivers under contractual obligations. When conducting due diligence and making an assessment regarding an investment, the AIFM and/or the Investment Manager may rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. For example, outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the AIFM's and/or the Investment Manager's reduced control of the functions that are outsourced. The due diligence investigation that the AIFM and/or the Investment Manager carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation may not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Sub-Fund as being speculative and having a high degree of risk. There can be no assurance that the Sub-Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis. In the event of fraud by any Investment, the Sub-Fund may suffer a partial or total loss of capital invested in that investment. An additional concern is the possibility of material misrepresentation or omission on the part of the investment or the seller. Such inaccuracy or incompleteness may materially and adversely affect the value of the Sub-Fund's investment. The Sub-Fund will rely upon the accuracy and completeness of representations made by Investments and/or their former owners in the due diligence process to the extent reasonable when it makes its investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Control Positions. The Sub-Fund may directly, or indirectly through Private Investments, take control positions in companies. The Sub-Fund or its affiliates may, as a result of holding

such positions, be involved in claims in tort, securities law, environment law or other areas of law and may also be subject to certain liabilities in the event of the bankruptcy or reorganization of an Investment. The Sub-Fund will generally indemnify the Board of Directors and the Investment Manager for such claims, and therefore may become subject to significant litigation expenses and liabilities, and whilst the Investment Manager intends to operate the Sub-Fund in a way that will manage the exposure to these risks the possibility of successful claims cannot be precluded.

Directorships. To the extent permitted by applicable laws and regulations, the Sub-Fund may obtain rights to participate substantially in the conduct of the management of certain Investments. The Sub-Fund may designate directors to serve on the boards of directors of certain underlying entities in which an Investment is made. The designation of representatives and other measures contemplated could expose the assets of the Sub-Fund to claims by an underlying entity, its security-holders and its creditors, including claims that the Sub-Fund is a controlling person and thus is liable for securities laws violations of an underlying entity. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of an underlying entity, could result in claims against the Sub-Fund if the designated directors violate their fiduciary or other duties to an underlying entity or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose the Sub-Fund to claims that it has interfered in management to the detriment of an underlying entity. While the Investment Manager intends to operate the Sub-Fund in a way that will manage the exposure to these risks, the possibility of successful claims cannot be precluded.

Reliance on Management of Investments. While the Investment Manager intends to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although the Investment Manager will monitor the performance of each Investment, the Sub-Fund will rely upon management to operate the Investments on a day-to-day basis and, in certain cases, upon equity sponsors who control the boards of directors of the Investments to select qualified management for such companies. The management and the boards of directors of the Investments may include representatives of other financial investors whose interests may at times conflict with the Sub-Fund's interests. There can be no assurance that each Investment will perform successfully or as planned. To the extent management engages in misconduct, the Investment Manager may not be able to detect such misconduct in time to prevent significant losses and, as a result, such misconduct could have a material adverse effect on the Sub-Fund. In addition, certain of the Sub-Fund's investments may be in businesses with limited operating histories.

The Sub-Fund will invest with underlying managers who are unrelated to Morgan Stanley and its affiliates and, indirectly, in investments selected by such unrelated managers. Although the Investment Manager will attempt to evaluate each prospective Private Investment based on criteria such as the performance history of such Private Investment, and its respective manager, if applicable, as well as such Private Investment's investment strategies, the past performance of the Private Investment, and its manager, if applicable, may not be a reliable indicator of future results. Some underlying managers may not be registered as investment advisers with the SEC or with other supervisory authorities as applicable, making it more difficult for the Investment Manager to scrutinize such underlying managers' credentials.

Neither the Investment Manager nor its team will have an active role in the day-to-day management of Private Investments in which the Sub-Fund invests. Moreover, the Sub-Fund

may not have the opportunity to evaluate the specific investments made by any Private Investment before they are made, and may not be able to dispose of its investment in a Private Investment, including in situations where the Investment Manager is dissatisfied with such Private Investment's performance. Managers of Private Investments may make investment decisions that are inconsistent with their prior investment history or the applicable Private Investment's offering and governing documents, and the ability of the Investment Manager to timely detect or react to such deviation may be limited. Accordingly, the returns of the Sub-Fund depend on the performance of such unrelated underlying managers and would be substantially adversely affected by the unfavorable performance of such underlying managers. The performance of a Private Investment may also rely on the services of a limited number of key individuals, the loss of whom could significantly adversely affect the Private Investment's performance. Similarly, although the Sub-Fund may seek management rights in Private Investments in which the Sub-Fund invests, the Sub-Fund will not control these Private Investment and generally will not have the opportunity to evaluate the specific investments made by any Private Investment.

Operating and Financial Risks of Entities Held by the Sub-Fund. Private Investments directly or indirectly in underlying entities will involve a high degree of business and financial risk. Investments may face intense market competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel. Some of the Investments may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial capital to support their operations, to finance expansion or to maintain their competitive position, may be in an early stage of development, may not have a proven operating history, or may otherwise have a weak financial condition that could result in insolvency, liquidation, dissolution, restructuring or bankruptcy of the relevant Investment. Certain entities in which investments are made may be subject to risk associated with market changes in interest rates. Interest rate changes may affect the value of a Private Investment directly and indirectly and may also have an impact on the investment opportunities available to the Sub-Fund. In addition, an increase in interest rates would make it more expensive to utilize leverage in making Private Investments.

Risks of Contracts. The enforceability of a contract is subject to uncertainty. If the other party of the contract denies the validity of a contract or refuses to perform its obligations under the contract, the Sub-Fund or an Investment may have difficulty in obtaining full and effective relief. Such uncertainty could have adverse impacts on the performance of the Sub-Fund.

Risks Relating to Investment Reputation. If an Investment fails to maintain the strength and value of the Investment's historic brand, its value is likely to decrease. An Investment's success often depends on the value and strength of its brand. In such cases, the name of such Investment is integral to its business as well as to the implementation of its strategies for expanding its business. Maintaining, promoting and positioning such brand can depend largely on the success of marketing efforts and its ability to provide consistent, high quality merchandises, services and / or customer experience. An Investment's brand could be adversely affected if it fails to achieve these objectives or if its public image or reputation were to be tarnished by negative publicity. Any of these events could result in decreases in value of investments in an Investment.

Operating and Financial Risks of Investments - Risk of Loss. The Sub-Fund may be involved in high-risk private equity investments. The Investments may not be able to achieve

their expected business objectives and may experience significant volatility in their performance. In addition, the underlying business of the Investments may be faced with a series of risks, including market fluctuations, changes in regulatory conditions and in general economic and political conditions, loss of key management personnel and other risks. Investments may face intense market competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel. Some of the Investments may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial capital to support their operations, to finance expansion or to maintain their competitive position, may be in an early stage of development, may not have a proven operating history, or may otherwise have a weak financial condition that could result in insolvency, liquidation, dissolution, restructuring or bankruptcy of the relevant Investment. The performance of the Sub-Fund will also be exposed to the effects of the above risks. Accordingly, there can be no assurance that the Investments of the Sub-Fund in Private Equity assets will be profitable, that the Sub-Fund will be able to avoid losses or that cash from operations will be available for distribution to the Shareholders. The possibility of partial or total loss of capital of the Sub-Fund exists, and prospective investors should not subscribe unless they can readily bear the consequences of a complete loss of their investment. Any losses in the Sub-Fund are borne solely by investors in the Sub-Fund and not by Morgan Stanley or its affiliates (other than in their capacities as investors in the Sub-Fund).

Buy-Out Transactions. The Sub-Fund may invest directly, or indirectly through Private Investments, in leveraged buyouts which by their nature require companies to undertake a high ratio of leverage to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses.

Bridge Financing. The Sub-Fund is permitted to make bridge investments. If the Sub-Fund makes an investment in a single transaction with the intent of refinancing or syndicating the portion of that investment consisting of bridge investments, there is a risk that the Sub-Fund will be unable to complete successfully such a refinancing or syndication. This could cause the Sub-Fund to be less diversified than the Board of Directors intended. In addition, subject to applicable laws, the Sub-Fund may lend to Investments on a short-term, unsecured basis or otherwise provide short-term financings to Investments in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge financings will typically be convertible into more permanent, long-term securities. Nevertheless, issuance of such long-term securities or other refinancing or syndication may fail for reasons beyond the control of the Sub-Fund, and therefore such bridge financing may remain outstanding. In such events, the interest rate on such financings or the terms of such bridge investments may not adequately reflect the risks in connection with the Sub-Fund's liabilities or investments.

Risks Relating to Equity Securities and Other Assets that have Characteristics of Debt Securities. The Sub-Fund may directly, or indirectly through Investments, invest in equity securities and other assets (such as pharmaceutical royalties) which have characteristics similar to those of debt securities. Such investments may be subject to the same or similar risks as debt securities, including risks related to issuer insolvency and/or default and interest rate fluctuations.

Risks Related to Follow-On Private Investments. The Sub-Fund may make cash infusions in relation to Private Investments for any purpose, including to protect the applicable Private

Investments. Such cash infusions may be subject to a higher risk of loss than any equity or debt investments which the Sub-Fund may make.

Inability to Realise Current Income. Although the Sub-Fund's Investments may generate current income, any particular Investment may not generate distributable current income with any regularity, if at all. In select situations, the Investment Manager may deem it prudent to use financial leverage in order to reduce the size of equity commitments and to seek to enhance equity returns, with the aim of creating long-term capital appreciation. In certain situations, and depending upon the structure of such financial leverage, this may reduce the amount of distributable current income in the near term from an investment. Many Investments in which the Sub-Fund may invest, invest in assets that do not generally generate current income and only generate distributions upon realisation of their underlying investments.

Uncertain Exit Strategies. Due to the illiquid nature of some of the positions which the Sub-Fund may acquire, as well as the uncertainties of the reorganisation and active management process, the AIFM and/or the Investment Manager are unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realised due to economic, legal, political, or other factors.

Disposition of Investments. In connection with the disposition of an investment, the Sub-Fund may be required to make representations about the business and financial affairs of the relevant Investment typical of those made in connection with the sale of any security or business. The Sub-Fund may also be required to indemnify the purchasers of such Investment to the extent that any such representation turns out to be inaccurate or misleading. These arrangements may result in contingent liabilities, which may ultimately have to be funded by the Sub-Fund.

Changing Consumer Preferences. To the extent that consumer preferences evolve away from products that an Investment produces, either directly or through provision of key ingredients, and it is unable to modify its products or to develop products that satisfy new consumer preferences, there will be a decreased demand for the Investment's products. This demand may fluctuate over time due to changing consumer preferences. A reduction in demand for products or downward pricing pressure could negatively impact the Investment's earnings and, in turn, the Sub-Fund's returns.

Real Assets

Nature of Investments in Private Real Assets. Incidental to its investment objectives, the assets of the Sub-Fund and its investments may include real assets. Private Real Assets investments are subject to varying degrees of risk. Private Real Assets values are affected by a number of factors, including, but not limited to, changes in the general economic climate, local conditions (such as an oversupply of or a reduction in demand for real estate), actions taken by management, competition based on rental rates, attractiveness and location of the properties, buyers, and sellers of properties, quality of maintenance, insurance, and management services, and changes in operating costs. Private Real Assets are also affected by factors such as government regulations (including those governing usage, improvements, zoning, and taxes), interest rate levels, the availability of financing, and potential liability under changing environmental and other laws, which can change in ways that were not anticipated by the Board of Directors or the Investment Manager at the time of investment.

Illiquidity of Investments in Private Real Assets. Private Real Assets investments are relatively illiquid and, therefore, the Investment Manager's ability to vary the Sub-Fund's portfolio promptly in response to changes in economic or other conditions may be limited. While an Investment may be sold at any time, it is not generally expected that this will occur for a number of years after the Investment is made. In addition, in some cases the Sub-Fund may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. No assurance can be given that the fair market value of any Investments held by the Sub-Fund will not decrease in the future or that the Sub-Fund will recognize full value for any property that the Sub-Fund is required to sell for liquidity reasons. All real estate investments are speculative in nature, and the possibility of partial or total loss of capital will exist. Investors should not subscribe to or invest in the Sub-Fund unless they can readily bear the consequences of such loss.

Capital Intensive Investments. Private Real Assets investing is capital intensive. The Sub-Fund could acquire assets that have defects, and normal wear and tear on the Sub-Fund's assets necessitate repairs. The Sub-Fund may acquire an asset with a capital expenditure plan, but the conditions of the asset may cause the capital requirements to exceed expectations. Furthermore, the Sub-Fund may be required to expend funds to correct defects or to make improvements before an Investment in a Private Real Asset can be sold. No assurance can be given that the Sub-Fund will have the necessary funds available to meet the capital needs of any particular asset or that any such efforts or expenditures will be successful.

Risks Relating to Due Diligence of Properties. Before making Investments in Private Real Assets, the Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each Investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental, social, governance, compliance and legal issues. The due diligence investigation that the Investment Manager carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. There can be no assurance that the Investment Manager will be able to detect or prevent irregular accounting, misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the Investment on an ongoing basis or that any risk management procedures implemented by the AIFM or the Investment Manager will be adequate. The Sub-Fund may suffer a partial or total loss of capital invested in the Private Real Asset in case of a material misrepresentation or omission on the part of the seller. The Investment Manager will rely upon the accuracy and completeness of representations made by sellers in the due diligence process to the extent reasonable but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Land Title Risk. Certain Investments may require large areas of land to install and operate equipment and associated infrastructure. The rights to use the necessary land may be obtained through freehold title, easements, leases and other rights of use. Different jurisdictions adopt different systems of land title and in some jurisdictions, it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with Investments. As a result, the Sub-Fund's or Investment's rights under such leases or easements are or may be subject and subordinate to the rights of third parties. Similarly, it is possible that a government authority, as the holder of a tax lien, could foreclose upon a parcel and take possession of the portion of the Investment located on such parcel. The rights of a third party pursuant to a superior lease (such as leases of oil, gas, coal or other mineral rights) could also result in damage to or disturbance of the physical assets of an Investment or require

relocation of Investment assets. The locations of the Private Real Assets may also be subject to government exercise of eminent domain power or similar events.

Real Estate Risks Generally. The Investments in real estate will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals may negatively impact the performance of the Sub-Fund. These risks include, but are not limited to, those associated with the burdens of ownership of real property, national, regional and local economic and other market conditions, the supply and demand for properties, decreases in property values, the financial resources of tenants and of buyers and sellers of properties, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in interest rates, real estate tax rates and other operating expenses, regulatory limitations on rents, changes in building, environmental and other laws and/or regulations, changes in building codes, zoning laws and other governmental rules and fiscal policies, environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems, negative developments in the economy that depress leasing activity, contingent liabilities on disposition of assets, uninsured or uninsurable casualty or condemnation losses, energy prices and supply, changes in the relative popularity of property types and locations, risks due to dependence on cash flow and risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, acts of war (declared and undeclared), terrorist acts, civil unrest, protests, strikes and other factors which are beyond the control of the Investment Manager. In addition, the Investments in real estate will be subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of the Sub-Fund's properties difficult or unattractive. In addition, declining economic conditions may impair the Sub-Fund's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require the Sub-Fund to make capital improvements to properties which would not have otherwise been planned, reduce rents or grant tenant incentives or concessions for a property. Any unbudgeted capital improvements that the Sub-Fund undertakes may divert cash that would otherwise be available for the Sub-Fund or distribution to investors or require additional capital commitments. Ultimately, to the extent that the Sub-Fund is unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact the value of the properties and the Sub-Fund's operating results. The Sub-Fund may be required to expend funds to fix defects or to make improvements before a property can be sold or leased. Engineering, environmental, seismic and other reports on which the Sub-Fund relies as part of its pre-acquisition or due diligence investigations of these properties may be inaccurate or deficient, at least in part because defects may be difficult or impossible to ascertain. Statutory or contractual representations and warranties made by various sellers of properties that the Sub-Fund acquires may not protect the Sub-Fund from liabilities arising from property defects. No assurance can be given that the Sub-Fund will have funds available to fix those defects or to make those improvements. In acquiring a property, the Sub-Fund may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be secured against that property. These factors, as well as other factors that could impede the Sub-Fund's ability to respond to adverse changes in the performance of its properties, could significantly affect the Sub-Fund's financial condition and operating results. Further, in the event of a default by a lessee or other premature termination of a lease, the Sub-Fund may experience delays in enforcing its rights as lessor, may incur substantial costs in protecting its Investments and may experience an impairment of value.

Commercial Real Estate Markets. In addition to general economic conditions, the commercial real estate markets in which the Sub-Fund operates are also affected by a number of other factors which may significantly impact the value of commercial real estate investments, including interest rates and credit spreads, levels of prevailing inflation, the availability of financing, the returns from alternative investments as compared to real estate and changes in planning, environmental, commercial lease and tax laws and practices. In particular, commercial real estate values are dependent on, among others, current rental values and occupancy rates, prospective rental growth, lease lengths, tenant creditworthiness and solvency and investment yields (which are, in turn, a function of interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned. Rental revenues and commercial real estate values are also affected by factors specific to each local market in which the property is located, including the supply of available space, demand for commercial real estate and competition from other available space. Market conditions could decrease the demand for commercial real estate, which could have a material adverse effect on the Sub-Fund's business, financial condition, results of operations and future prospects. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will remain stable, recover or continue to improve, as the case may be, since this will depend, in part, upon events and factors outside the control of the Sub-Fund and the Investment Manager. In addition, there can be no assurance that current market conditions may not deteriorate during the life of the Sub-Fund; actual or perceived trends in real estate markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends. Both the rental income and market value of the properties the Sub-Fund will invest in may be affected by the operational performance of the tenants' businesses. The operational performance of a tenant may in turn be affected by both local conditions and the wider economy. In addition, commercial real estate properties, including office, retail, hotel and industrial properties, are relatively illiquid compared to other types of real estate and financial assets. This illiquidity will limit the Sub-Fund's ability to quickly change its portfolio in response to changes in economic or other conditions. Certain properties might be designed for special purposes, which will limit the Sub-Fund's ability to lease or sell such properties. If the Sub-Fund's net rental income declines, it would have less cash available to service and repay its indebtedness and the value of its properties would decline further as well. In addition, significant expenditures associated with each property, such as real estate taxes, new regulations, compliance works, service charges and renovation and maintenance costs, are generally not reduced in proportion to any decline in rental revenue from that property. If rental revenue from a property declines while the related costs do not decline, the Sub-Fund's income and cash receipts could be adversely affected.

Competition for Real Estate Investments. The business of identifying, structuring, completing and realizing suitable real estate transactions of the types contemplated by the Sub-Fund is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally is subject to market conditions. The Sub-Fund will be competing for investments with many other real estate investment vehicles, as well as individuals, publicly traded REITs, financial institutions (such as investment and mortgage banks, pension funds and real estate operating companies), hedge funds, sovereign wealth funds and other institutional investors. Such investors may have substantially greater financial and other resources than the Sub-Fund and may be able to accept more risk than the Sub-Fund can prudently manage. Competition generally may reduce the number of suitable investment opportunities available to the Sub-Fund and increase the bargaining power of sellers. The Sub-Fund may incur significant fees and expenses identifying, investigating and attempting to acquire potential assets that the Sub-Fund does not ultimately acquire, including fees and expenses relating to due diligence, transportation and travel, including in extended

competitive bidding processes. The Sub-Fund's Investments may also become concentrated in certain geographic areas, which may limit the Sub-Fund's ability to invest in certain jurisdictions or diversify the Sub-Fund's Investments between countries or geographic areas.

Investment, Repatriation and Foreign Investor Restrictions. Some growth markets have laws and regulations that currently limit or preclude direct foreign investment in real estate or the securities of their companies. These laws and regulations could limit the Sub-Fund's ability to invest in some entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. Costly prior government approval for foreign investments, registration and/or repatriation of investment income, capital and the proceeds of sale by foreign investors may be required under certain circumstances in some growth markets. Some governments have in the past, and may in the future, impose controls and/or procedural requirements on the convertibility of their currencies into foreign currencies and the remittance of currency from such countries to other jurisdictions in certain circumstances. The Sub-Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities or other assets held by the Sub-Fund, and income on such securities or other assets or gains from the disposition of such securities or other assets may be subject to withholding taxes imposed by certain jurisdictions. Furthermore, in certain countries, such laws and regulations have been subject to frequent and unforeseen change, potentially exposing the Sub-Fund to restrictions, taxes and other obligations that were not anticipated at the time an Investment was initially made.

Acquisition and Development Risks. Acquisitions entail risks that Investments may not perform in accordance with expectations and that anticipated costs of improvements, special repairs or repositioning to bring an acquired property up to the necessary standard for the market position intended for that property may exceed budgeted amounts or incur unforeseen capital expenditures, as well as general investment risks associated with any new real estate investment. The Sub-Fund may invest in undeveloped properties or properties under development. New project development, redevelopment, major renovation work, special repairs and repositioning are subject to a number of risks, including risks of construction delays and/or other delays, risks of significant cost overruns, risks beyond the control of the Sub-Fund (such as weather, labour conditions or material shortages), risks relating to the performance of the builders, subcontractors and/or third-party consultants, risks of inaccurate project feasibility assessments, risks of incorrectly forecasting the risk associated with development in new geographic regions, risks relating to the availability of construction financing and/or permanent financing, risks that the properties will not achieve anticipated occupancy levels or sustain anticipated rent levels (such as decreased demand due to competition from other developers or depressed lease rates and rents due to market and economic conditions), risks associated with political or local opposition, risks connected to environmental issues or labor disputes (such as work stoppages) and new project commencement risks, such as the failure to obtain zoning, occupancy and other required governmental permits and authorizations, or issuance of permits containing unfavorable terms. Such risks may prevent commencement or completion of certain projects and result in the incurrence of development costs in connection with projects that are not pursued to completion. Properties under development, properties acquired to be developed, or properties under renovation or repairs may receive little or no cash flow during the development, renovation or repair period and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development, renovation or repair that make such development, renovation or repair less attractive than at the time it was commenced. Newly developed or newly renovated properties do not have the operating history that would allow the Investment Manager to make objective pricing decisions in acquiring those properties. The purchase prices of those

properties generally will be based upon projections as to the expected operating results of such properties, subjecting the Sub-Fund to risks that such properties may not achieve anticipated operating results or may not achieve such results within anticipated time frames. In addition, investments in new development activities could be more susceptible to irregular accounting or other fraudulent practices. Development or redevelopment projects and major renovation projects also carry an increased risk of litigation with contractors, subcontractors, suppliers, partners and others and may be financed under lines of credit or other forms of secured or unsecured financing. If any of the risks described or contemplated above occur, the Sub-Fund's properties may not yield anticipated returns, which could have a material adverse effect on the results and operations of the Sub-Fund and of its Investments.

Governmental Action Risk. Certain of the Sub-Fund's Private Real Assets-related assets may become subject to condemnation, seizure, eminent domain or other similar actions by governmental authorities. Such an action could have a material adverse effect on the financial viability and marketability of the Sub-Fund's assets and there can be no assurance that the Sub-Fund will have, or be able to effectively enforce, any rights to prevent such action. In addition, the Sub-Fund may not be able to anticipate and/or insure against any such losses of property and ultimately may not receive adequate or timely compensation for the cost of its investment and any improvements or other costs relating thereto.

Infrastructure Risk Generally. Investment in infrastructure assets involves many relatively unique and acute risks. Most infrastructure projects have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of the Sub-Fund to buy or sell investment on favorable terms. Infrastructure projects can have a narrow customer base. The failure of any customers or counterparties to uphold their contractual obligations could lead to significant, irreplaceable declines in revenues. Such declines would affect the profitability of infrastructure projects Infrastructure projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. Further, project revenues can be affected by a number of factors, including economic and market conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of the Investment or related project. Events outside the control of an Investment, such as political action, governmental regulation, demographic changes, economic conditions, increasing fuel prices, government macroeconomic policies, political events, toll rates, social stability, competition from untolled or other forms of transportation, natural disasters, changes in weather, changes in demand for products or services, bankruptcy, or financial difficulty of a major customer and acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. As a general matter, the operation and maintenance of infrastructure assets or businesses involve significant capital expenditures and various risks many of which may not be under the control of the owner/operator, including labor issues, political or local opposition, failure of technology to perform as anticipated, technical obsolescence, increasing fuel prices, structural failures and accidents, environment related issues, counterparty non-performance and the need to comply with the directives of government authorities. Optional or mandatory improvements, upgrades or rehabilitation of infrastructure assets may cause delays or result in closures or other disruptions subjecting the Investment to various risks including lower revenues. The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline, or

electricity line ruptures or other disasters. Operational disruption and capital expenditures relating thereto, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance.

Development Risk. Successful development of new or expansion infrastructure projects may require the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such characteristics may include, without limitation, political or local opposition, receipt of regulatory approvals or permits, site or land procurement, environment-related issues, construction risks and delays, labor disputes, counterparty non-performance, project feasibility assessment and dealings with and reliance on third-party consultants. Failure to obtain required permits, or issuance of permits containing unfavorable terms, may prevent commencement or completion of such projects.

Feasibility Risks. The Sub-Fund will be presented with the opportunity to invest in a range of new infrastructure projects. Although the Investment Manager has experience in the assessment and structuring of infrastructure projects, it is likely that its final investment decision will place considerable reliance upon a range of independent experts' reports, which, if overestimated, could result in materially lower revenues for the project. Given the difficulty associated with forecasting variables often many years into the future, Shareholders ultimately bear the risk of whether the project is well conceived and the underlying investment assumptions are realized. New technologies can either improve the profitability of a project or adversely affect any project that uses older technology. The Sub-Fund will be subject to general changes in market sentiment toward infrastructure assets, including low demand for, and patronage of, infrastructure assets.

Regulatory Risks of Infrastructure Investments. Infrastructure investments are subject to substantial government regulation and governments have considerable discretion to implement regulations that could affect the business of infrastructure investing. In many instances, the operation or acquisition of infrastructure assets involves an ongoing commitment to or from a governmental agency, and the operation of infrastructure assets often relies on government permits, licenses, concessions, leases or contracts. The nature of these commitments exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses. The risk that a governmental agency will repeal, amend, enact or promulgate a new law or regulation, or that a government authority will issue a new interpretation of a law or regulation, may affect a project significantly. Court decisions and actions of government agencies may also affect a project's performance. Similarly, there is a risk that changes in the regulatory and legislative environments, such as the likelihood of a public inquiry or political opposition to rates or recoverable costs, may overturn the awarding of preferred developer status or reduce revenues. The distributions received from any underlying funds and entities in which investments are made may be affected by changes in tax legislation. These changes may reduce the level of cash flows received from investments by the Sub-Fund. The Sub-Fund may not receive the initial regulatory approval or license needed to acquire or otherwise operate an investment, including after substantial costs have been incurred pursuing such investment. Additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may be required to acquire or operate infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the underlying entity's customer(s) or for other reasons. Permits or special rulings may be required on taxation, financial and regulatory related issues. There can be no

assurance that an underlying fund or underlying entity in which an investments is made will be able to: (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Obtaining and maintaining permits and approvals or complying with ongoing regulatory requirements may involve significant expense and/or time. Delay in obtaining or failure to obtain required permits or approvals or to comply with ongoing requirements could prevent construction or operation of a facility or sales to third parties or could result in additional costs to the Sub-Fund and its underlying funds and underlying entities in which investments are made.

Energy and Related Investments. The Sub-Fund is permitted to make energy and related investments. Investments in the energy industry (including commodities such as oil and gas and investments related thereto) could be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations as well as volatility and pricing risk associated with inputs of production, commodities and natural resources. The market prices of oil and gas are volatile and beyond Morgan Stanley's control, and oil and gas prices have at times decreased dramatically over the last years with substantial fluctuation seasonally and annually. The Investment Manager cannot predict future oil and gas prices, and lower oil and gas prices could cause the Sub-Fund's investments related to natural resources and energy to decline in value. The operations of energy and natural resources companies are also subject to many hazards inherent in the transporting, processing, storing, refining, distributing, mining, exploring for, managing, producing or marketing a wide range of natural resources such as natural gas, natural gas liquids, crude oil, coal, minerals, refined petroleum products or other hydrocarbons. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. There can be no assurance that the Sub-Fund or an Investment will be fully insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured, it could adversely affect an Investment's operations and financial condition. In addition, the energy and natural resource sectors are subject to comprehensive United States and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Sub-Fund's Investments and the prospects of the Sub-Fund. There can be no assurance that: (i) existing regulations applicable to the Sub-Fund's investments generally or underlying entities in which investments are made will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to underlying entities; (iii) the technology and equipment selected by underlying entities to comply with current and future regulatory requirements will meet such requirements; (iv) such underlying entity's business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies. In addition, in many instances, the operation or acquisition of energy infrastructure assets may involve an ongoing commitment to or from a government agency. The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses. See also "Regulatory Risks of Infrastructure Investments" above.

Regulatory changes in a jurisdiction where a project or underlying entity in which an investment is made is located or operates may make the continued operation of such project or company unfeasible or economically disadvantageous, and any expenditures made to date with respect to such underlying entities may be wholly or partially written off. The location of a project or underlying entity may also be subject to government exercise of eminent domain power, expropriation or similar events. Similarly, regulatory differences between jurisdictions where a project or underlying entity is located or operates may make the commencement and/or continued operation of a project or company in a particular jurisdiction less feasible and/or less profitable than projects in other jurisdictions. The inability of the Sub-Fund and/or the underlying entities to obtain and maintain regulatory permits or right-of-way or rental agreements on acceptable terms could adversely impact the Sub-Fund and/or the underlying entities in which investments are made, including by impeding their ability to complete construction projects on time, on budget, or at all. Any of these factors could significantly increase the regulatory-related compliance and other expenses incurred with respect to Investments and could significantly reduce or entirely eliminate any potential revenues generated by one or more of the Investments, which could materially and adversely affect returns to the Sub-Fund.

Governmental Budgetary Constraints; Reforms. The success of public infrastructure projects is often dependent on governmental funding or subsidies. Governments typically have considerable discretion in determining the amount of funding or subsidies to allocate to such public infrastructure projects. Lack of governmental funding or subsidies due to governmental budgetary constraints could adversely impact the overall development and availability of public infrastructure projects, result in privatization of certain types of assets, and/or otherwise result in an increase in competition among other providers of capital (e.g., private infrastructure investors) for such infrastructure assets, which may make it more difficult for the Sub-Fund to effectively consummate investments in or relating to such infrastructure projects. Despite ongoing underinvestment in infrastructure in target geographies, governments may elect not to fund such underinvestment with private capital. Alternatively, the Sub-Fund's success will also be driven in part by its ability to source and invest in private infrastructure projects. The availability of such private infrastructure projects may be highly dependent on governmental determinations to continue with, or implement, announced reforms regarding the means by which infrastructure construction is regulated or financed. As such, there can be no assurance that such private infrastructure projects will be available for investment on terms which the Sub-Fund deems favorable.

Political and Societal Challenges. Large-scale infrastructure projects may be particularly susceptible to political and societal challenges, which may, in turn, affect a project's ability to receive, renew or maintain required permits or approvals and may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations. For example, proposals to site a particular infrastructure project, such as a bridge, airport, power plant, or mine, or engage in activities relating to a project, such as drilling activities in a particular location, may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts. Concerns can also arise regarding some of the techniques used in the extraction of natural resources relating to an infrastructure project, such as the use of natural gas hydraulic fracturing (also known as "fracking") in order to enhance recovery of shale gas, which may require governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions.

Environmental, Health and Safety Risks. Infrastructure projects may have a substantial environmental impact. Land acquisition to build the project is often a significant issue. In the United States and in other jurisdictions, international, federal, state, provincial and local environmental, health and safety laws, statutes, rules and regulations play a significant role in certain infrastructure projects and can have a substantial impact on investments in, and the operation of, underlying funds and underlying entities related to infrastructure. Underlying funds and underlying entities related to infrastructure may face considerable oversight from regulatory authorities and may attract significant opposition from community groups, non-governmental organizations and special interest groups for allegedly generating greater levels of air or water pollution, poor visual impact, effects on local population, flora and fauna and other environmental impacts, which may be successful in attracting publicity and persuading governments to take action.

The Sub-Fund may invest in underlying entities that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements (including any applicable environmental impact assessment requirements under the United States National Environmental Policy Act or similar laws in other jurisdictions), and there can be no guarantee that all costs and risks regarding compliance with, or liability under, environmental laws and regulations can be identified. Standards are set by these laws and regulations regarding certain aspects of health, safety and environmental quality, and they provide for penalties and other liabilities for the violation of such standards, and may impact an underlying entity's cost of operating, or ability to develop or expand, infrastructure assets. For example, environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect underlying entities in the energy sector.

In addition, tenants in certain jurisdictions benefit from certain legal protections and customary contractual provisions that generally do not apply in other countries. The costs associated with acquiring, disposing or leasing properties in such jurisdictions due to compliance with the environmental and planning laws of its states, provinces, territories and municipalities may be higher generally. Furthermore, violations of any environmental and planning laws may result in administrative, civil, and/or criminal enforcement proceedings, penalties and other liabilities including claims and litigation from third parties who may be affected, curtailment or shutdown of operations, revocation or non-renewal of permits, loss of contracts, and reputational impacts.

The Sub-Fund may be exposed to substantial risk of loss from environmental claims arising from certain of its infrastructure investments involving undisclosed or unknown environmental, health or other related matters. Cleanup liabilities can arise under environmental laws and regulations, including on a strict, joint and several basis, which presents a risk of an underlying entity in which an investment is made paying for more than its fair share of cleanup costs associated with a contaminated property. For example, without limitation, an underlying entity may have such potential liability under the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (also known as Superfund), if it is found to be a current or former owner or operator of a facility at which hazardous substances have been released. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Failure to comply with environmental, health and safety laws and regulations could subject the Sub-Fund and its properties to material penalties or other liabilities, which could have a

detrimental impact on the financial performance of infrastructure projects. There can be no assurance that underlying entities in which investments are made will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of underlying entities could also result in material personal injury or property damage claims. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Sub-Fund) that are subject to environmental liability.

Effects of Ongoing Changes in the Utility Industry. The Sub-Fund may make certain investments in utility industries both in the United States and abroad. In many regions, including the United States, the market dynamics of the utility industry may change, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. As a result, additional significant competitors could become active in parts of the utility industry. In addition, utility asset owners may find it increasingly difficult to negotiate long-term procurement or sales agreements with counterparties, which may affect the Sub-Fund's profitability and financial stability. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects into which the Sub-Fund may invest may come under increasing pressure.

Electricity generation and related infrastructure investments may be subject to extensive non-U.S. and U.S. federal, state and local energy laws and regulations in the U.S. and other jurisdictions where underlying entities in which investments are made are located, including, without limitation, in the U.S. the Federal Power Act ("**FPA**"), the Energy Policy Act of 2005, the Public Utility Holding Company Act of 2005 and the Public Utility Regulatory Policies Act. Changes in applicable energy laws or regulations, or in the interpretations or administration of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If an underlying entity fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

Under the FPA, the Federal Energy Regulatory Commission regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by "public utilities" as defined under the FPA and places constraints on the conduct of their business, including, among other things, rate and corporate regulation including ownership and disposition of jurisdictional assets. In addition, state public utility commissions in U.S. states ("**PUCs**") have historically had broad authority to regulate both the rates charged by, and the financial activities of, electric utilities that sell electricity at retail and other public utilities that provide utility service to the public such as water utilities and telecommunication service providers, and a number of other matters relating to electric and other public utilities. State laws may also impose certain regulatory and reporting requirements on other owners and operators of generation facilities and other public utilities. Independent power producers are considered to be public utilities in some states and are subject to varying degrees of regulation by PUCs, ranging from a requirement to obtain a "certificate of public convenience and necessity" to regulation of organizational, accounting, financial and other corporate matters. States may assert jurisdiction over the location and construction of electric generating facilities and other public utility facilities, and in certain situations, over the issuance of securities and the sale or other transfer of assets by these facilities. State jurisdictional natural gas transportation and storage rates are also frequently subject to regulation by local PUCs. Similar regulation may also apply in other non-U.S. jurisdictions where the Sub-Fund's investments are made.

Private Credit

Nature of Private Credit and Other Subordinated Investments. Private credit and other subordinated debt investments (including indirect exposure through the Sub-Fund's investment in other funds which adopt in full or in part a Private Credit strategy) involve a high degree of risk with no certainty of any return of capital. Although debt obligations are senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are often unsecured. The ability of the subordinated debt holders to influence a company's affairs (including from an ESG perspective), especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the debt or other exercises by the subordinated creditors of their rights. Accordingly, the Sub-Fund may not be able to take the steps necessary to protect its investments in a timely manner or at all.

If an investment becomes subject to insolvency proceedings in any jurisdiction, the rights of holders of private credit and subordinated debt may be adversely affected. Such proceedings and related laws and remedies may vary substantially from jurisdiction to jurisdiction, may create the right of such Investment to avoid certain unfavourable contracts or obligations and may result in significant delay and/or limitations on repayment of amounts owed. With respect to investments in the form of subordinated debt instruments, upon any distribution to the relevant issuer's creditors in a bankruptcy, liquidation or reorganisation or similar proceeding, the holders of such issuer's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on such investment. In the event of a bankruptcy, liquidation or reorganisation or similar proceeding relating to such a borrower, the investor will typically participate with all other holders of such issuer's indebtedness in the assets remaining after the issuer has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). Such issuer may not have sufficient funds to pay all of its creditors whom may receive nothing, or less, rateably, than the holders of senior and/or secured indebtedness of such issuer or the holders of indebtedness that is not subordinated. Certain debt investments may be convertible, by the terms thereof, into equity securities after a triggering event. Such convertible credit investments may be non-investment grade. These equity securities will generally be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless.

Indirect Exposure to Private Credit and Subordinated Debt Risks. The Sub-Fund may gain indirect exposure to private credit and other subordinated debt investments through its investment in other funds, including those that pursue, in whole or in part, a private credit strategy. Such indirect exposures involve risks that are materially similar to those associated with direct investments in private credit instruments, including a high degree of risk and no assurance of any return of capital. The Sub-Fund's ability to assess and manage such risks may be constrained by the lack of transparency or limited influence over the underlying investment decisions of such third-party funds.

The debt instruments held by these underlying funds may be subordinated to significant amounts of senior indebtedness and may be unsecured, resulting in heightened credit risk. Furthermore, the rights associated with such subordinated instruments, particularly in distressed situations or insolvency proceedings, are often limited by the structural seniority of other creditors. As the Sub-Fund does not directly hold these instruments, it will have no direct recourse or voting rights, and therefore limited or no capacity to influence restructuring processes, enforce rights, or otherwise protect its indirect interests in such investments.

Nature of Investment in Secured Loans. The factors affecting an issuer's secured loans, and its overall capital structure, are complex and may differ from the general structure outlined in this Supplement and the Prospectus. Not all secured loans have priority over all other unsecured debt of an issuer. For example, some secured loans may involve liens only on specified assets of an issuer. The imposition of priority liens on collateral would adversely affect the priority of the liens and claims held by creditors and could adversely affect creditor's recovery on its debt investments.

Although investments may be made that are believed to be secured by specific collateral, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, creditors could experience delays or limitations with respect to its ability to realise the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of creditors. Moreover, investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the priority over other creditors may not occur as anticipated. Underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow creditors to withstand certain assumed deficiencies in payments occasioned by the issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to creditors in respect of its investment. In addition, many secured credit facilities contain accordion provisions that allow for increased borrowing under such facilities, which would dilute the value of the collateral securing such borrowing and increase the risk that such loans would be under-secured.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing the facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments or the exercise of remedies. As a result of these voting regimes, creditors may not have the ability to control decisions in respect of certain amendment, waiver, exercise of remedies, restructuring or reorganisation of debts owed to creditors.

Unsecured Loans or Debt. The Sub-Fund may, directly, or indirectly through underlying funds, invest in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to the Sub-Fund or underlying fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

Collateral Securing Investments. Investments that are secured may also be subject to the risk that the security interests granted by the Investment obligors in the underlying collateral are not properly or fully perfected in favour of lenders (or their agent). Compounding these risks, the collateral securing the secured investments may be subject to casualty, impairment or devaluation risks.

The Investments may also be permitted to issue additional indebtedness that would increase the overall leverage and fixed charges to which the Investments are subject. Such additional indebtedness could have structural or contractual priority, either as to specific assets or generally, over the ranking of the investments held by creditors or could rank on a parity or seniority basis with respect to the investments. In the event of any default, restructuring or insolvency event of the investment, creditors could be subordinated to, or be required to share on a rateable basis, with any recoveries in favour of the holders of such other or additional indebtedness. If an investment issues second lien indebtedness, creditors' recoveries under any investments constituting first lien indebtedness may be impaired as a result of the rights of holders of any second lien indebtedness under any intercreditor agreement governing the relative rights of the first and second lien indebtedness.

Cross-Guarantees and Cross-Collateralisation. In connection with seeking financing (or refinancing), it may be the case that better financing terms are available when more than one investment provides collateral, particularly in circumstances where the assets of each Investment are similar in nature. As such, rather than seeking such financing or refinancing on its own, an investment may enter into cross-collateralisation arrangements with another investment or investments of one or more Affiliated Investment Accounts. As a result of any cross-collateralisation, creditors could also lose its interests in otherwise performing investments due to poorly performing or non-performing investments of Affiliated Investment Accounts.

It is also possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one investment or group of investments, which will typically result in (i) any of an investment or a portfolio entity of an Affiliated Investment Account being solely liable with respect to its own and such Affiliated Investment Account's portfolio entity's share of the applicable obligation and therefore, being required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such Affiliated Investment Account's portfolio entity is unable to repay its pro rata share of such indebtedness and/or (ii) any of the Investments and such Affiliated Investment Account's portfolio entity being jointly and severally liable for the full amount of such applicable obligation or liable on a cross-collateralised basis on an investment-by-investment or portfolio wide basis or liable for an equity cushion (which cushion amount may vary depending upon the type of financing or refinancing (e.g., cushions for refinancings may be smaller)), in each case which may result in the Investment and such Affiliated Investment Account's portfolio entity entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that the Sub-Fund or such Affiliated Investment Account or Investments would be compensated (or provide compensation to the other) from being primarily liable vis-à-vis such third-party counterparty.

Assignments and Participations. The Investment Manager, on behalf of the Sub-Fund, may acquire investments directly (by way of assignment) or indirectly (by way of participation). As described in more detail below, holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a debt obligation.

The purchaser of an assignment of a loan obligation typically succeeds to all the rights and obligations of the selling institution and becomes a party to the applicable documentation relating to lender under the loan or credit agreement with respect to the loan obligation. In contrast, participations ("**Participations**") acquired in a portion of a loan obligation held by a selling institution (the "**Selling Institution**") typically result in a contractual relationship only with such Selling Institution, not with the obligor. The creditor would have the right to receive payments of principal, interest and any fees to which it is entitled under the Participation only

from the Selling Institution and only upon receipt by the Selling Institution of such payments from the obligor. In purchasing a Participation, the creditor generally will have no right to enforce compliance by the obligor with the terms of the loan or credit agreement or other instrument evidencing such loan obligation nor any rights of set-off against the obligor, and the creditor may not directly benefit from the collateral supporting the loan obligation in which it has purchased the Participation. As a result, the creditor will assume the credit risk of both the obligor and the Selling Institution, which will remain the legal owner of record of the applicable loan obligation. In the event of the insolvency of the Selling Institution, the creditor may be treated as a general creditor of the Selling Institution in respect of the Participation, may not benefit from any set-off exercised by the Selling Institution against the obligor and may be subject to any set-off exercised by the obligor against the Selling Institution. In addition, the creditor may purchase the Participation from a Selling Institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower.

In addition, when the Sub-Fund directly or indirectly holds a Participation in a loan obligation, the creditor may not have the right to vote to waive enforcement of any default by an obligor. Selling Institutions commonly reserve the right to administer the loan obligations sold by them as they see fit and to amend the documentation evidencing such loan obligations in all respects. A Selling Institution may have interests different from those of the creditor, and the Selling Institution might not consider the interests of the creditor when taking actions with respect to the loan underlying the Participation. In addition, some participation agreements that provide voting rights to the participant further provide that if the participant does not vote in favour of amendments, modifications or waivers, the Selling Institution may repurchase such Participation at par. Assignments and participations are typically sold strictly without recourse to the seller thereof, and the seller will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans.

The risk management system and the procedures of funds in which the Sub-Fund invests in comprise, among others, (i) procedures for periodic monitoring and evaluation of the evolution of loan quality in order to determine, as necessary, the appropriate levels of impairment in value of loans; and (ii) procedures for periodic monitoring of appropriate diversification regarding borrowers (risks associated with e.g. “borrower correlation” or “connected group of borrowers” should be taken into account).

As regards collateral and loan collection, the following procedures have been established by funds in which the Sub-Fund invests in, among others: (i) procedures to verify and ensure the existence, quality and valuation of collateral, if any, until the loan’s maturity date; (ii) procedures regarding enforcement of collateral arrangements, where applicable, and loan collection/recovery; and (iii) procedures to mitigate maturity transformation.

Intercreditor agreements or similar agreements with other lenders. The Sub-Fund may also directly or indirectly originate or acquire an Investment and enter into an intercreditor agreement or similar arrangement with other lenders. The terms of any such intercreditor agreement or similar arrangement may grant one or more of the other lenders the right to make certain decisions on behalf of or at the exclusion of the other lenders, including the Sub-Fund. Consequently, the terms and conditions of an Investment could be modified, amended, or waived in a manner contrary to the preferences of the Sub-Fund if the amendment, modification or waiver of such term or condition does not require the consent of the Sub-Fund. Furthermore, the terms of any such intercreditor agreement or similar arrangement may

substantially restrict the ability of creditors to pursue its remedies in respect of an Investment, and the Sub-Fund may realise fewer proceeds from such Investment as a result.

Second-Lien Debt. The Sub-Fund's direct or indirect investments through other funds in second-lien loans will entail risks, including (i) the subordination of the liens securing creditors' claims to a senior lien in terms of the coverage and recovery of the collateral and (ii) the prohibition of, or limitation on, the right to foreclose on a second lien or exercise other rights as a second-lien holder (including unsecured creditors' rights). In certain cases, therefore, no recovery may be available from a defaulted second-lien loan. The level of risk associated with investments in second-lien loans increases to the extent such investments are loans of distressed or below-investment grade companies.

Options and Warrants. The Sub-Fund may directly or indirectly receive, or purchase options and warrants as part of a private credit or senior debt investment or purchase options or warrants to hedge securities obtained in the course of its investment activities. The successful use of options depends principally on the price movements of the underlying securities. In addition, if the Sub-Fund purchases an option, it will run the risk that it will lose its entire investment in the option in a relatively short period of time, unless the Sub-Fund exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the Sub-Fund will lose part or all of its respective investments in the option. There is no assurance that the Sub-Fund will be able to effect closing transactions at any particular time or at any acceptable price.

Loan participation risk. Creditors may not always have direct recourse against a borrower if the borrower fails to pay scheduled principal and interest. Where creditors lacks direct recourse, creditors may look to an agent for the lenders to enforce appropriate credit remedies against the borrower. Creditors may be subject to greater delays, expenses and risks than would have been involved if they had purchased a direct obligation of the borrower. Under the terms of certain loan participations, the Sub-Fund (through its direct and/or indirect investments via other funds) may be regarded as a creditor of the agent lender rather than of the underlying borrower, and therefore may be subject to the risk that the agent lender may become insolvent.

Debt Regulation Risk. As a result of its indirect exposure through investments in other funds, it is possible that the Sub-Fund could be deemed to be engaged in the origination of debt securities for purposes of the applicable laws in jurisdictions in which such activities take place. Such laws are often highly complex and may include licensing requirements. The licensing process can be lengthy and can be expected to subject a debt originator to increased regulatory oversight. In some instances, the process for obtaining a required license or exception certificate may require disclosure to regulators or to the public of information about the Sub-Fund, its direct or indirect investors, its loans, is business activities, its management or controlling persons or other matters. Such disclosures may provide competitors with information that allows them to benefit at the expense of the Sub-Fund, which could have a material adverse effect on the Sub-Fund. Failure, even if unintentional, to comply fully with applicable laws may result in sanctions, fines, or limitations on the ability of the Sub-Fund, the Board of Directors, the Investment Manager, Morgan Stanley, or Affiliates of the foregoing to do business in the relevant jurisdiction or to procure required licenses in other jurisdictions, all of which could have a material adverse effect on the Sub-Fund.

Loans – Security. Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to loans is gained by purchase of participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to the Sub-Fund for monies received in respect of loans directly held by it. In analysing each loan or participation, the Investment Manager will compare the relative significance of the risks against the expected benefits of the investment.

Limited Amortisation Requirements. The Sub-Fund intends to be indirectly exposed to senior secured debt that will typically have limited mandatory amortisation and interim repayment requirements. A low level of amortisation of any senior debt over the life of the investment may increase the risk that an Investment will not be able to repay or refinance the senior debt held by the Sub-Fund when it comes due at its final stated maturity.

Public Investments

Nature of Debt Investments Generally. Certain of the Sub-Fund's Investments may be unsecured and may be structurally or contractually subordinated to substantial amounts of indebtedness, all, or a significant portion of which may be secured. Such Investments may not be protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there may be no minimum credit rating (or any credit rating) for such Investments. In addition, there have been a number of efforts by issuers to effect exchange offers for some of their unsecured or subordinated debt that have the effect of improving the position of the holders of that debt in the issuer's capital structure to the detriment of other debtholders. If an issuer of any of the Sub-Fund's Investments were successful in pursuing such an exchange offer, it is possible that the Sub-Fund's Investment may become subordinated to, or on parity with, the new debt obligations incurred in such exchange, which may adversely affect the market price of such Investment. Other factors may materially and adversely affect the market price and yield of such Investments, including, without limitation, investor demand, changes in the financial condition of Investments, government fiscal policy and domestic or worldwide economic conditions. The market for relatively illiquid debt tends to be more volatile than the market for more liquid instruments.

Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on its debt and result in defaults on, and declines in, the value of its subordinated debt more quickly than in the case of the senior debt obligations of such issuer. The Sub-Fund may incur expenses if it is required to seek recovery upon default or to negotiate new terms with a defaulting Investment. In addition, a defaulted or non-performing Investment may be the subject of substantial and lengthy workout or restructuring negotiations. Such negotiations may result in a reduction of principal, delay in the payment of principal, change of interest rate and/or other substantial changes in terms that may affect the value of such Investment and the cash flows from such Investment. If the Sub-Fund does not provide a majority (or, in certain cases, a greater proportion) of such financing, it may not be able to control the restructuring of such debt or direct the exercise of remedies upon the occurrence of an event of default under such debt. The Sub-Fund's remedies with respect to the collateral securing such loan will be subject to the decisions made by other lenders to the Investment. Even where the Sub-Fund has effective control over the Investment, relevant jurisdictions may refuse to enforce certain remedies sought by the Sub-Fund. The level of risk associated with Investments in loans increases to the extent such Investments are loans of distressed or below investment grade companies.

There can be no assurance that an Investment will generate sufficient cash to service its debt obligations, and, in any such case, the Sub-Fund may suffer a partial or total loss of invested capital. The Sub-Fund's Investments may be subject to early redemption features, refinancing options, prepayment options (including prepayment options with or without prepayment penalties imposed on the issuer) or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the Sub-Fund earlier than expected. This may happen, for example, when there is a decline in interest rates. In addition, depending on fluctuations of the equity markets, warrants and other equity securities held by the Sub-Fund may become worthless. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of investment transactions or payment in connection with such transactions as fraudulent conveyances or preferential payments under relevant creditors' rights laws or the subordination of claims under so-called "equitable subordination" common law principles, (ii) so-called "lender liability" claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Investments in debt instruments will entail normal credit risks (e.g., the risk of non-payment of interest and principal) and market risks (e.g., the risk that certain market factors will cause the value of the instrument to decline). A debt obligation that is fully bearing payment-in-kind (PIK) interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the issuer prior to maturity or refinancing. Debt instruments may be subject to fluctuations due to changes in interest rates and issuers' credit quality. Also, a default on debt that is held by the Sub-Fund or a sudden and extreme increase in prevailing interest rates may cause a decline in the Sub-Fund's asset value. Certain of the Sub-Fund's Investments may be in businesses with high levels of debt or may be Investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available cash flow. Investments in leveraged businesses are inherently more sensitive to declines in their revenues and to increases in their expenses. The issuer of a debt obligation may rely on interest and other fees paid on the debt obligation being deductible for tax purposes. Various tax rules may defer or preclude issuers from deducting interest on debt obligations. The inability of issuers to deduct interest may result in debt obligations being viewed less favourably by issuers and affect the debt markets.

Publicly Traded Securities. The Sub-Fund may also from time to time invest in publicly-traded securities, including transferable securities and money market instruments. These activities are subject to the risks present in investing in publicly-traded securities, including economic, political, interest rate and other risks, fluctuations in public market values, and the risk of loss from counterparty defaults. Additionally, these activities may be subject to liquidity risk, counterparty credit risk, legal risk and operations risk, company specific and industry specific factors and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. When investing in publicly-traded securities, the Sub-Fund may be unable to obtain financial covenants or other contractual rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, the Sub-Fund may not have the same access to information in connection with investments in publicly-traded securities, either when investigating a potential investment or after making an Investment, as compared to privately negotiated investments. Furthermore, the Sub-Fund may be limited in its ability to make investments, and to sell existing investments, in publicly-traded securities because Morgan Stanley may be deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies.

Fixed Income Securities. The Investment Manager may invest in fixed-income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed-income

securities are obligations of the issuer to make payments of principal and / or interest on future dates. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity. In addition, high yield bonds (commonly known as "junk bonds") and other debt securities in which the Investment Manager may invest will typically be junior to the obligations of companies to senior creditors, trade creditors and employees. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory or other conditions may impair the ability of the issuer to make payments of principal and interest. High yield debt securities have historically experienced greater default rates than investment grade securities. The ability of holders of high yield debt to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors.

Specific Risks

Leverage and Borrowing. The Sub-Fund and the Investments will use leverage in their investment strategies, subject to the limits and requirements outlined in the ELTIF Regulation. Leverage may take the form of loans for borrowed money (*e.g.*, margin loans) or derivative securities and instruments that are inherently leveraged, including options, futures, forward contracts and swaps used for hedging purposes. The Sub-Fund or Investment may each enter into credit facilities or other borrowing arrangements, or the Sub-Fund may enter into credit facilities or other borrowing arrangements with respect to the Intermediate Vehicles, in which case, to the extent permitted by applicable law, including the ELTIF Regulation and ERISA, each of those entities will be authorized to assume joint and several liability for any such borrowings. Any such joint and several liability will indirectly subject each Shareholder to the credit risk with respect to intermediate entities in which such Shareholder does not hold a direct or indirect interest.

Leverage will increase the exposure of the Sub-Fund to adverse economic factors such as rising interest rates, economic downturns or deteriorations in the condition of its Investments or the industries in which they operate. The percentage of leverage used by the Sub-Fund will vary depending on a number of factors, including the Sub-Fund's ability to obtain a credit facility on terms that the AIFM and/or the Investment Manager deems appropriate, which, in turn, may depend on the lenders' and rating agencies' estimate of the creditworthiness of the Sub-Fund and the quality of any collateral available to secure such credit facility. There can be no assurance that the Sub-Fund will be able to obtain, or will obtain, leverage on favourable terms, or at all. For example, the Sub-Fund may not be able to obtain or maintain a credit facility as a result of changes in applicable laws, rules or regulations, or otherwise, or due to general economic conditions, and the availability of leverage is expected to be affected by repercussions in the financial system resulting from the impact of inflation, the Russian invasion of Ukraine, and NATO and the international community's response thereto or to any similar political or military conflict, and the COVID-19 or any similar pandemic, including supply chain disruptions caused by the foregoing. Moreover, market conditions or other factors may cause or permit the amount of leverage employed by the Sub-Fund to fluctuate over their respective terms. If the Sub-Fund can obtain leverage, there can be no assurance that the Sub-Fund will be able to obtain commitments for debt facilities in connection with making investments on terms that are favourable for the Sub-Fund, similar to terms available to competitors or similar to what may have been available prior to the current economic and geopolitical uncertainties and the COVID-19 pandemic. In addition, the terms of debt facilities

may impose additional limitations on the operations of the Sub-Fund and may not be as favourable to the Sub-Fund as the terms of other indebtedness currently available in the market for private credit funds or business development companies that invest in senior loans or similar debt obligations.

Also, there can be no assurance that the conditions to drawing under any debt facilities will be satisfied by the Sub-Fund at any time or that the one or more lenders will not fail to fund advances to the Sub-Fund in connection with the Sub-Fund's debt facilities. Prospective investors should not expect that Morgan Stanley can or will lend money to the Sub-Fund for any purpose. The failure or inability by the Board of Directors, Morgan Stanley or their Affiliates, on behalf of the Sub-Fund, to borrow debt on favourable terms (or at all) could adversely affect the returns of the Sub-Fund and impair their ability to achieve its investment objectives.

The Sub-Fund may be required to maintain minimum average cash balances in connection with borrowings under a credit facility. The return on the Sub-Fund's Investments may be reduced to the extent that the Sub-Fund is required to incur losses on their Investments in order to comply with the payment or other terms of its credit facilities. Any inability of the Sub-Fund to repay such borrowings in accordance with the terms of the relevant credit facilities could enable the applicable lenders to take action against any collateral pledged by the Sub-Fund to secure such credit facilities, resulting in further losses to the Sub-Fund and/or the Shareholders in the Sub-Fund.

In order to develop a portfolio of assets to serve as collateral, the Sub-Fund expects to make several investments prior to entering into asset-back leverage facilities. In the meantime (as well as thereafter) the Sub-Fund may utilise subscription facility financing to fund investments.

In addition, any leverage incurred by the Sub-Fund could have other significant adverse consequences to the relevant Shareholders, including, but not limited to, the following: (i) greater fluctuations in the Net Asset Value of the Sub-Fund (as gains made with borrowed funds generally would cause the Sub-Fund's value to increase faster than without borrowed funds or than if the Sub-Fund had incurred less leverage, whereas losses incurred with borrowed funds would cause the Sub-Fund's value to decrease faster and more significantly than without the use of borrowed funds); (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional Investments, distributions to the Shareholders, or other purposes which funds may not be recovered through returns on investments and which may reduce the actual returns realised by investors when compared to situations where there was no borrowing or where borrowed funds were returned at an earlier date; (iii) a requirement to subordinate investors' rights or claims against the Sub-Fund to the rights or claims of lenders or other providers of leverage; (iv) increased interest expense if interest rate levels were to increase without a corresponding increase in the interest rate applicable on the underlying Investments, thereby reducing the net spread earned by the Sub-Fund; (v) in certain circumstances, prematurely disposing of underlying Investments to service the Sub-Fund's debt obligations or meet financial ratio requirements; (vi) to the extent that the Sub-Fund's revenues are required to meet principal payments, investors may be allocated income (and therefore incur tax liability) in excess of cash available for distribution, (vii) limitations on the activities of the Sub-Fund, including flexibility of the Sub-Fund to make distributions to its investors or sell assets that secure or otherwise support the indebtedness; (viii) during the term of any borrowing, the Sub-Fund may be subject to increased costs attributable to changes in applicable laws or regulations, possibly including a gross-up for taxes that may be payable as a result of any such change in law, and any such increased costs may materially reduce the Sub-Fund's returns; (ix) impairment of the liquidity or losses arising from

the premature sale of the investments that secure or otherwise support such indebtedness; and (x) potential adverse tax consequences.

In selecting investments on behalf of the Sub-Fund, the Investment Manager aims to construct a portfolio of investments that will generate sufficient cash flow to service the Sub-Fund's debt service obligations without having to refinance, restructure or liquidate assets to meet such obligations. However, there can be no assurance that the Investment Manager will be able to identify and construct such a portfolio, and there can be no assurance that the Sub-Fund will have sufficient cash flow or be able to refinance, restructure or liquidate sufficient assets to meet their debt service obligations. In addition, the Sub-Fund may need to refinance their outstanding debt as it matures and financing obtained at the time of investment may not be available for the life of the asset. There is a risk that current availability of debt finance will not continue in the future and that the Sub-Fund may not be able to refinance existing debt or that the terms of any refinancing may not be as favourable as the terms of the existing loan agreements, including with respect to the maximum effective rate of leverage that may be applied to the Investments. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the Sub-Fund's financial condition, cash flows and the return on their investments.

If the Sub-Fund does not have sufficient cash flow to meet its debt service obligations, the Sub-Fund may be required to realise investments prematurely or in unfavourable market conditions in order to service their debt obligations, and in such circumstances the recovery the Sub-Fund receive from such realisations may be significantly diminished as compared to the Sub-Fund's expected return on such investments.

In addition, certain types of financing obtained by the Sub-Fund may include mandatory prepayment provisions that allow the lenders to demand partial or full repayment of financing if certain events occur, such as a significant reduction in the value of the investments pledged by the Sub-Fund to secure or that otherwise support such financing. If the Sub-Fund is unable to meet such a prepayment obligation, they may be required to liquidate investments at disadvantageous prices in order to raise the funds needed to repay asset-based debt, and if such failure to pay results in an event of default, may result in the loss of the collateral securing the financing facility.

In the event of a failure to pay or other default under any financing facility, the lenders would likely have certain remedies with respect to the Sub-Fund's assets, including the right to sell investments in order to raise funds to repay amounts outstanding under such financing. In the event the lenders require the Sub-Fund to sell some or all of their investments or foreclose on those investments prematurely, the Sub-Fund will likely suffer losses.

Finally, the Investment Manager may have an incentive to fund the acquisition of Investments and ongoing capital needs of Investments and the Sub-Fund with the proceeds of such borrowings in lieu of using Subscription Capital Amounts, subject to compliance with Article 16 of the ELTIF Regulation and with this Supplement, to the extent that the use of leverage with respect to investments will result in a higher reported gross IRR and net IRR at the fund level than if such leverage had not been utilized and instead the investors' capital had been contributed at the inception of each such investment since the calculation would incorporate shorter periods of time given that calculations of gross IRR and net IRR at the Sub-Fund level use the date of contribution by investors to the Sub-Fund for the relevant investment (i.e., the due date for the call notice, and not the date the investment was made, if funded by a

subscription facility that was later repaid with investor contributions) and use the date of distribution from the Sub-Fund to investors (i.e., the date the Sub-Fund wires cash to investors).

The Sub-Fund May Guarantee the Obligations of Private Investments and/or Affiliates of the Sub-Fund. Although the Sub-Fund does not expect to, the Sub-Fund may guarantee the obligations of Private Investments and/or affiliates of the Sub-Fund. As a result, if any such Private Investment or affiliate defaults on its obligations, the Sub-Fund will be required to satisfy such obligation. In order to do so, the Sub-Fund may use the Subscription Capital Amounts or liquidate some or all of its investments prematurely at potentially significant discounts to market value.

Credit Risk. One of the fundamental risks associated with the Sub-Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. The Sub-Fund's return to investors would be adversely impacted if an issuer of debt securities in which the Sub-Fund invests becomes unable to make such payments when due. Certain investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, an Investment's ability to repay the principal of an investment may be dependent upon the ability to refinance or a liquidity event or the long-term success of the Investment, the occurrence of which is uncertain.

Valuation Risk. General movements in prevailing market conditions could have a substantial impact on the value of Investments and investment opportunities generally. Certain securities and other assets in which the Sub-Fund may invest may not have a readily ascertainable market value and will be valued by the AIFM (which may be based on valuations provided by the Investment Manager or another valuation support provider) in accordance with the Sub-Fund's valuation principles and the valuation process inherently involves a degree of subjectivity, particularly in illiquid markets, where the exercise of judgment is critical to determining fair value. In addition, the AIFM and the Investment Manager may face a conflict of interest in valuing the securities or assets that lack a readily ascertainable market value as the value of the assets held by the Sub-Fund will affect the timing of the payment of the Incentive Fee.

Disruption and volatility in U.S. and global markets have created and may continue to create additional challenges in accurately valuing Investments in sectors which do not have public markets, such as with private equity. In addition, accounting guidance has changed and may continue to change the way that valuations must be made.

For these and other reasons, the Sub-Fund may make investment decisions based on imprecise, incomplete or inaccurate valuation information, which may adversely affect the Sub-Fund and its investors, and there is no guarantee that the value of a Private Investment determined by the AIFM will represent the value that will be realized by the Sub-Fund on the eventual realization of such Private Investment or that would, in fact, be realized upon an immediate disposition of such Private Investment.

The Sub-Fund calculates its Net Asset Value on a monthly basis and allows for monthly subscription requests whereby investors can subscribe for Shares at the Net Asset Value determined as of the Dealing Date. However, the Sub-Fund invests in illiquid assets which may be valued less frequently. This timing discrepancy between the Net Asset Value calculation and the underlying valuation of the Private Investments introduces a risk that the Net Asset

Value may not accurately reflect the current fair value of the Sub-Fund's assets. As a result, investors subscribing for Shares may do so at a price that does not fully reflect the value of the Sub-Fund's underlying Investments. This could lead to dilution of the interests of existing investors or overpayment by new investors and may adversely impact the overall performance and fairness of the Sub-Fund's valuation and subscription process. Furthermore, the overall performance of the Sub-Fund will be affected by the acquisition price it pays for its direct or indirect interests in certain Private Investments, which will be subject to negotiation with the sellers of the interests.

Liquidity Risk. Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Liquidity risk exists when a particular instrument is difficult to purchase or sell. The AIFM and the Investment Manager manage the Sub-Fund's liquidity risk. The Sub-Fund may invest in investments such as sub-investment grade corporate loans, bonds and notes which, as a result, carry greater liquidity risk than, for example, investment grade sovereign or corporate bonds or loans.

Investments made by the Sub-Fund may be subject to limited liquidity due to the private and illiquid nature of the underlying assets across its investment strategies, including private credit, real assets, and private equity. In particular, private debt assets may be evidenced by bespoke loan agreements and syndicated privately, making them significantly less liquid than publicly traded securities. Similarly, investments in private equity and real assets are generally illiquid by nature, with exit options often dependent on market conditions, asset-specific developments, and negotiated transactions, which may take a prolonged period to complete. Private Real Assets may also involve legal or regulatory constraints that limit the ability to dispose of them promptly. Where the Sub-Fund invests in less liquid strategies, such as mid-market direct lending, special situations, distressed debt, or development-stage real asset, it may experience additional delays or challenges in realising value, particularly where no robust secondary market exists.

The holding period for Private Investments may be longer than the Sub-Fund initially expects upon consummating such Private Investment. Given the lack of visibility into the ultimate exit events and the need of certain Investments to achieve particular performance milestones prior to exit, there is a risk that the Sub-Fund's anticipated exit from a Private Investment may be delayed. There may be significant restrictions on the transfer of interests in Private Investments and, as a result, there is no assurance that the Sub-Fund will be able to transfer these interests. Private Investments may also be prohibited by law or contract from selling their investments for a period of time or otherwise be restricted from disposing of such investments. The investments made by such Private Investments may require a substantial length of time to liquidate. Consequently, there is a significant risk that the Sub-Fund and Private Investments will be unable to realize their investment objectives by sale or other disposition of such investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to such investments. These risks can be further increased by changes in the financial condition or business prospects of the companies in which Private Investments invest, changes in national or international economic conditions, the condition of financial markets, changes in prevailing interest rates, daily price fluctuation limits on commodities, adverse results of insolvency proceedings or other litigation related to securities and obligations in which Private Investments invest, developments or trends in any particular industry and changes in laws, regulations, fiscal policies or political conditions of countries in which Private Investments' investments are made. To the extent the Sub-Fund invests directly

in Investments, the same risks applicable to Private Investments will also apply to the Sub-Fund.

In particular, during periods of limited liquidity and higher price volatility, a Private Investment's ability to acquire or dispose of its investments at a price and time that such Private Investment deems advantageous may be impaired. In periods of rising market prices, a Private Investment may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; a Private Investment's inability to dispose fully and promptly of positions in declining markets will conversely cause the value of its portfolio to decline as the value of unsold positions is marked to lower prices.

In addition, a Private Investment may distribute its investments in-kind to its investors, including the Sub-Fund. In connection with the dissolution and winding up of the Sub-Fund, the Sub-Fund may in turn make in-kind distributions of these investments, which are likely to be composed of illiquid securities, to Shareholders. There can be no assurance that such Shareholders would be able to dispose of these investments or that the value of these investments will ultimately be realized.

Risk of Liability. A concern with certain of the types of investments contemplated by the Sub-Fund is the possibility of becoming subject to unknown liabilities, with limited recourse (or no recourse) against the prior owners of the investments, and no assurance can be given that the Investment Manager will have an understanding of all circumstances that may adversely affect an investment. The Sub-Fund will rely upon the accuracy and completeness of representations made by sellers or borrowers, but cannot guarantee such accuracy or completeness. Moreover, the Sub-Fund's recourse will be subject to customary limitations. As a result, the Sub-Fund may bear the responsibility for substantial liabilities that are unknown at the time of investment and the Sub-Fund may be required to expend a significant amount of money to contest or settle third-party claims relating to such liabilities. There can be no assurance that the Sub-Fund will be able to detect or prevent any issues or irregularities with respect to an investment during the due diligence phase or during its efforts to monitor an investment on an ongoing basis or that any risk management procedures implemented by the Sub-Fund will be adequate. In the event of fraud by any Investment or any of its affiliates, the Sub-Fund may suffer a partial or total loss of capital invested in that Investment. An additional concern is the possibility of material misrepresentation or omission on the part of the Investment, the seller or the borrower. Such inaccuracy or incompleteness may adversely affect the value of the Investments. The Sub-Fund may rely upon the accuracy and completeness of representations made by portfolio entities and / or their former owners or creditors in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Sub-Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Hedging Transactions May Adversely Affect Overall Performance. The Investment Manager intends to enter into hedging arrangements in relation to the activities of the Sub-Fund (including in respect of any rate or currency), including in respect of any indebtedness or other borrowing contemplated hereby, capital subscriptions, the acquisition, holding, financing, refinancing or disposition of one or more underlying Private Investments, and as the Investment Manager otherwise determines necessary or appropriate (collectively, "**Applicable Hedging Transactions**"); provided, however, that the Sub-Fund will not enter into derivative transactions for speculative purposes. These hedging arrangements could involve a variety of derivative transactions, including transactions in forward, swap and option contracts or other

financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, forward contracts, options and short sales. While these transactions may reduce the risks associated with an investment by the Sub-Fund, the transactions themselves entail risks that are different from those of the investments of the Sub-Fund or the Investments. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the Sub-Fund and the Investments may benefit from the use of Applicable Hedging Transactions, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Sub-Fund and the Investments than if they had not used such Applicable Hedging Transactions. Moreover, it may not be possible to hedge against a currency exchange rate, interest rate or public security price fluctuation that is so generally anticipated that the Sub-Fund and the Investments are not able to enter into a hedging transaction at a price sufficient to protect them from the decline in the value of the portfolio position anticipated as a result of the fluctuation. The success of hedging transactions will be subject to the ability to correctly predict movements in and the direction of currency exchange rates, interest rates and public security prices. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the Investments being hedged may vary. Moreover, for a variety of reasons, the Sub-Fund and the Investments may not seek to establish a perfect correlation between Applicable Hedging Transactions and the Investment being hedged. This imperfect correlation may prevent the Sub-Fund or the Investments from achieving the intended hedge or expose it to risk of loss. The successful use of these hedging strategies depends upon the availability of a liquid market and appropriate Applicable Hedging Transactions, and there can be no assurance that the Sub-Fund or the Investments will be able to close out a position when deemed advisable by the Investment Manager. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Hedging transactions also involve additional costs and expenses, which may adversely affect the overall performance of the Sub-Fund or the Investments. There can be no assurance that the Sub-Fund or the Investments will engage in hedging transactions at any given time or from time to time, or that these transactions, if available, will be effective.

Foreign Currency and Exchange Risks. The Sub-Fund may engage in transactions involving foreign currencies, and the Sub-Fund and the Shareholders may experience foreign currency gain or loss with respect to the Investments. In addition, the Sub-Fund may incur costs in connection with conversions between various currencies or in foreign currency exchange transactions. Investments may also enter into financial arrangements intended to hedge their currency exchange risks. Such hedging arrangements are themselves subject to risks. For example, changes in interest rates, securities prices or currency exchange rates may result in lower overall returns than if the Sub-Fund or the Investment had not entered into any hedging arrangement. Further, there can be no assurance that the instruments necessary to hedge will be available, or that such instruments will be attractively priced at the time the Sub-Fund, or the Investment may desire to use them. Repatriation of investment income, capital, and the proceeds from sales of securities by foreign investors such as the Sub-Fund may require governmental registration and approval in some countries. The Sub-Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Potential Involvement in Litigation. As a consequence of credit problems with Investments and the possibility that the Sub-Fund may participate in restructuring activities, it is possible

that the Sub-Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaim against the Sub-Fund and ultimately judgments may be rendered against the Sub-Fund for which the Sub-Fund may not carry insurance.

Uncertainty of Financial Projections. The Investment Manager will generally make investment decisions on the basis of financial projections for prospective Investments. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Lack of Maintenance Financial Covenants. A majority of debt issued in the past several years has imposed less stringent covenants on the issuers of that debt than covenants included in the terms of debt offered in previous periods, and such "covenant lite" debt may not obligate the Investments to observe and maintain financial ratios or other financial maintenance covenants. These flexible covenants (or the absence of covenants) could cause Investments to experience a significant downturn in their results of operations without triggering any default that would permit holders of the senior secure debt (such as the Sub-Fund) to accelerate indebtedness or negotiate terms and pricing. Such a delay or inability to the exercise of remedies may lower the ultimate recoveries received by the Sub-Fund in any insolvency or restructuring of indebtedness of the Investments.

Other Considerations

European Union Screening Regulation. In March 2019, the EU adopted Regulation (EU) 2019/452 (the "**Screening Regulation**"), establishing a framework for the screening of foreign direct investments ("**FDI**") from non-EU countries that may affect security or public order. At that time, roughly half of the EU Member States had some form of legislation in place for screening foreign direct investment within their territories (namely, Austria, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, and Spain). The Screening Regulation's objective is to equip the EU to identify, assess and mitigate potential risks for security or public order by creating a framework for Member States that already have, or that may implement a screening mechanism. The Regulation does not require Member States to implement or maintain a screening mechanism. The Regulation has applied since 11 October 2020.

The Screening Regulation covers FDI from third countries, i.e., those investments "which establish or maintain lasting and direct links between investors from third countries including State entities, and undertakings carrying out an economic activity in a Member State." The Screening Regulation applies to all sectors of the economy. It is not triggered by any monetary threshold. The Screening Regulation empowers Member States to review investments within its scope on the grounds of security or public order, and to take measures to address specific risks. The review and, when required, the adoption of measures preventing or conditioning an investment is the ultimate responsibility of Member States.

In determining whether FDI is likely to affect security or public order, Member States and the Commission may "consider all relevant factors, including the effects on critical infrastructure, technologies (including key enabling technologies) and inputs which are essential for security

or the maintenance of public order, the disruption, failure, loss or destruction of which would have a significant impact in a Member State or in the Union."

Under the Regulation, the Commission has no formal power to approve or prevent FDI, but it can intervene in national screening by obtaining information from the national competent authority. The Commission may also screen FDI that is likely to affect projects or programs of EU interest on the grounds of security or public order and issue an opinion. Member States must take account of the Commission's opinion and justify a decision not to follow the Commission's opinion. The framework establishes basic criteria for FDI screening, such as transparency, non-discrimination, procedural rules, and factors to be taken into account in determining whether an investment is likely to affect security or public order.

On 25 March 2020, the Commission provided guidance to Member States on how to use FDI screening in times of public health crisis and economic vulnerability given the Covid-19 emergency. In its guidance, the Commission urged Member States to be particularly vigilant to prevent a "sell-off" of Europe's business and industrial actors, including small and mid-size enterprises, and to seek advice and coordination in cases where foreign investments could, actually or potentially, now or in the future, have an effect in the single market.

In its guidance, the Commission called upon Member States that currently have screening mechanisms to make full use of those mechanisms and called upon Member States that do not have a screening mechanism, or whose screening mechanisms do not cover all relevant transactions, to set up a screening mechanism and/or consider other options to address cases where the acquisition or control of a particular business, infrastructure or technology would create a risk to security or public order, including health security, in the EU.

The scope of the Screening Regulation and the concerns expressed by the Commission in the context of the current pandemic suggest that more transactions involving companies in the EU are likely to be subject to FDI screening, and if not screened, could be subject to ex post comments by Member States or opinions by the Commission up to 15 months after completion of the investment. The outcome of any FDI screening process may be difficult to predict, and there is no guarantee that, if applicable to an Investment, the decisions of a national competent authority would not adversely impact the Sub-Fund's Investment in such entity.

Conflicts with Investments. Officers and employees of the Investment Manager or Morgan Stanley may serve as directors of certain Investments and, in that capacity, will be required to make decisions that they consider to be in the best interest of the Investment. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the Investment, actions that may be in the best interests of the Investment may not be in the best interests of the Sub-Fund, and vice versa. In addition, the possibility exists that the companies with which one or more employees of Morgan Stanley are involved could engage in transactions that would be suitable for the Sub-Fund, but in which the Sub-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 Investment Manager or Morgan Stanley and such person's duties as a director of the Investment.

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in an entity that is a competitor of an Investment or that is a service provider, supplier, customer, or other counterparty with respect to an Investment. In providing advice and recommendations to, or with respect to, such Investments, and in dealing in their securities on behalf of itself or such Affiliated Investment Accounts, to the extent permitted by law, Morgan Stanley will not

take into consideration the best interests of the Sub-Fund, its Investments and/or Investments. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Sub-Fund, its Investments and/or its Investments. Conflicts of interest may also arise with respect to the allocation of Morgan Stanley's time and resources between such Investments. In addition, in providing services to such Investments, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Sub-Fund) or disclosing, even though such action or disclosure would be in the best interests of the Sub-Fund. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to Investments to provide services to competing entities invested in by Morgan Stanley or Affiliated Investment Accounts, which may have adverse consequences for the Sub-Fund. See also "—Non-Public Information" below.

Environmental Matters. The Sub-Fund may invest in Investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements and environmental costs that could place increasing financial burdens on such portfolio entities. Required expenditures for environmental compliance may adversely impact investment returns on portfolio entities. The imposition of new environmental and other laws, regulations and initiatives could adversely affect the business operations and financial stability of portfolio entities.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on Investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Investments will not cause injury to the environment or to people under all circumstances or that the Investments will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on an investment, and there can be no assurance that the Investments will at all times comply with all applicable environmental laws, regulations, and permit requirements.

Banking Requirements. Certain federal and local banking and other regulatory bodies or agencies inside or outside the United States may require the Fund, the Sub-Fund and / or the Investment Manager to obtain licenses or similar authorisations to engage in various types of lending activities, including the origination of senior secured debt and other debt. Such licenses or authorisations may take a significant amount of time to obtain, and may require the disclosure of confidential information regarding the Sub-Fund, Shareholders or their respective Affiliates, including financial information and / or information regarding officers and directors of certain significant Shareholders, and the Sub-Fund may or may not be willing or able to comply with these requirements. In addition, there can be no assurance that any such licenses or authorisations would be granted or, if so, would not impose restrictions on the Sub-Fund. Alternatively, the Investment Manager may be able to structure potential investments in a manner which would not require such licenses and authorisations, but which would be inefficient or otherwise disadvantageous for the Sub-Fund and / or the borrower. The inability of the Sub-Fund, the Fund or the Investment Manager to obtain such licenses or authorisations, or the structuring of an investment in an inefficient or otherwise disadvantageous manner, could adversely affect the Investment Manager's ability to implement the strategy for the Sub-Fund and the Sub-Fund's results.

European Government Regulation Relating to Leveraged Lending. There has been increasing commentary among European regulators and intergovernmental institutions, including the European Central Bank, on leveraged lending transactions and the European Central Bank has published guidance on leveraged transactions applicable to banks subject to the European Central Bank's oversight. While it is difficult to predict the scope of any new regulations or guidance and the nature or scope of any further supervisory requirements, if regulations or further guidance, such as those relating to risk appetite standards are issued, the regulatory and operating consequences associated with compliance could have an impact on the investment strategy of the Sub-Fund.

Absence of U.S. Regulatory Oversight. While the Sub-Fund may be considered similar in some ways to an investment company, it is not required nor does it intend to register as such under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, accordingly, Shareholders will not be accorded the protections of the Investment Company Act. If for any reason the offering fails to meet the applicable conditions for an exemption or exclusion under the Investment Company Act, the assets that the Sub-Fund could acquire or the timing of dispositions of such assets could be limited by the provisions of the Investment Company Act and any available exemptions or exclusions therefrom on which the Sub-Fund might rely. The Sub-Fund could, among other things, be required either (a) to change the manner in which it conducts its operations to avoid being required to register as an investment company or (b) to register as an investment company, either of which could have an adverse effect on the Sub-Fund. In addition, the Shares in the Sub-Fund have not been and will not be registered under the Securities Act or the laws of any state of the United States and are being offered in reliance upon an exemption from such laws. These Shares have not been recommended by any U.S. federal or state or any non-U.S. securities commission or regulatory authority (including the CSSF). Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Supplement.

Enhanced Scrutiny and Potential Regulation of Investment Advisers and the Private Fund Industry. As described in "— *Other Legal, Tax and Regulatory Risks*" below, any legal, tax and regulatory changes that occur during the term of the Fund that could adversely affect the Fund and its investment results, or some or all of the Shareholders. In particular, the SEC has increased regulatory focus on private funds and their managers. In December 2020, the SEC adopted rule amendments governing, among other things, how investment advisers market, and solicit investments in, private funds (the "**Marketing Rule**"). Furthermore, on May 3, 2023, the SEC also approved amendments to Form PF (the "**Form PF Amendments**") which, among other things, require advisers to private equity funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single underlying entity's capital structure, and restructurings or recapitalizations. The Form PF Amendments also require that advisers report certain events to the SEC within 72 hours of their occurrence.

Regulation as a Bank Holding Company. Morgan Stanley is a bank holding company (a "**BHC**") under the BHCA. Morgan Stanley has also elected to be treated as a "financial holding company" (an "**FHC**") under the BHCA, which is a status available to BHCs that meet certain criteria. FHCs may engage in a broader range of activities than BHCs that are not FHCs. However, the activities of FHCs and their affiliates remain subject to certain restrictions imposed by the BHCA and related regulations.

Because, under the relevant facts, Morgan Stanley will be deemed to "control" the Sub-Fund within the meaning of the BHCA these restrictions would be expected to apply to the Sub-Fund as well. Accordingly, the BHCA and other applicable banking laws, rules, regulations and

guidelines, and their interpretation and administration by the appropriate regulatory agencies, impose certain restrictions on (1) the transactions and relationships involving Morgan Stanley and its affiliates, the Investment Manager, the Sub-Investment Manager, on the one hand, and the Sub-Fund, on the other hand, and (2) the investments and transactions by, and the operations of, the Sub-Fund. For example, the BHCA regulations applicable to Morgan Stanley and the Sub-Fund may, among other things, restrict the Fund's ability to make certain investments, impose a maximum holding period on some or all of the Fund's investments, restrict the Investment Manager and Sub-Investment Manager's ability to participate in the management and operations of the companies in which the Sub-Fund invests, and restrict the ability of Morgan Stanley to invest in the Sub-Fund. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances positions held by Morgan Stanley and its affiliates (including the Investment Manager) for client and proprietary accounts would likely need to be aggregated with positions held by the Sub-Fund. Accordingly, where BHCA regulations impose a cap on the amount of a position that may be held, Morgan Stanley may utilize available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require the Sub-Fund to limit and/or liquidate certain investments.

These restrictions have the potential to materially and adversely affect the Sub-Fund by, among other things, affecting the Investment Manager or Sub-Investment Manager's ability to pursue certain strategies within the Fund's investment program or trade in certain securities. Moreover, Morgan Stanley may cease in the future to qualify as an FHC, which may subject the Sub-Fund to additional restrictions or may result in the restructuring or dissolution of the Sub-Fund. Moreover, there can be no assurance that the BHCA or other bank regulatory requirements applicable to Morgan Stanley or the Sub-Fund will not change, or that any such change will not have a material adverse effect on the Sub-Fund. Morgan Stanley, the Investment Manager and the Sub-Fund may be able to rely on other statutory and regulatory provisions in order to maintain compliance with the BHCA. Morgan Stanley reserves the right to rely on any such applicable exemptions. The BHCA and the regulations and interpretations of the U.S. Board of Governors of the Federal Reserve System (the "**Federal Reserve**") thereunder may be amended over the Life of the Sub-Fund, which could also result in further restrictions on the activities or investments of the Sub-Fund.

At any time, including in the event of any change to the BHCA, or applicable regulations and interpretations under the BHCA, Morgan Stanley may in the future, in its sole discretion and without notice to the Shareholders, take additional steps it deems necessary, advisable or appropriate in its sole discretion for the Investment Manager to comply with laws or regulations (including the BHCA) or to reduce or eliminate the impact or applicability of these bank regulatory restrictions to which the Investment Manager or other funds and accounts managed by the Investment Manager or any of its affiliates (i) are subject or (ii) will be subject upon engaging in a new business transaction. At any time, the Sub-Fund, the Investment Manager or the Sub-Investment Manager may be restructured in order to reduce or eliminate the impact or applicability of these bank regulatory restrictions on the Sub-Fund or other funds and accounts managed by Morgan Stanley and its affiliates. Morgan Stanley may seek to accomplish this result by, depending on the facts and circumstances: or requesting that the Board of Directors take certain actions, transferring ownership of or restructuring the Investment Manager or the Sub-Investment Manager, reducing the amount of Morgan Stanley's investment in the Sub-Fund, including transferring some or all of the Class S Shares, or any combination of the foregoing, or by such other means as it determines in its sole discretion. Any such transferee may be unaffiliated with Morgan Stanley. In connection with any such change, the Investment Manager may in its sole discretion assign its right to receive the Incentive Fee or cause another entity to receive the Incentive Fee.

The Volcker Rule. The Volcker Rule and its implementing regulations issued by the U.S. federal financial regulators (the "**Implementing Regulations**") prohibit "banking entities," such as Morgan Stanley and its affiliates, from sponsoring or investing in a "covered fund," as defined in the Volcker Rule, except as permitted pursuant to certain available exemptions. The Volcker Rule also prohibits a banking entity from entering 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 that is controlled by such a covered fund. The term "covered fund" includes, among others, private-equity funds that are privately offered in the United States and that rely on Sections 3(c)(1) or 3(c)(7) of the Investment Company Act to avoid being treated as "investment companies" under the Investment Company Act, as well as certain non-U.S. funds that do not otherwise qualify for an exclusion from the covered fund definition. Morgan Stanley and its affiliates are banking entities. It is intended that the Sub-Fund will be managed so that it will not constitute a covered fund. Specifically, the Volcker Rule contains an exclusion from its "covered fund" definition for any "foreign public fund" which is defined as an issuer that is (1) organized or established outside of the United States and (2) authorized to, and does, offer and sell ownership interests through one or more "public offerings", provided that if a U.S. banking entity such as Morgan Stanley or any subsidiary thereof (including the Investment Manager and Sub-Investment Manager) serves as the issuer's sponsor, no more than 25% of the issuer's ownership interests are sold, in the aggregate, to such banking entity, such issuer, their affiliates, and directors or senior executive officers of any of the foregoing (a "**Foreign Public Fund**").

For this purpose, a "public offering" means a distribution of securities in any jurisdiction outside the United States to investors, including retail investors, provided that:

(1) the distribution is (a) subject to substantive disclosure and retail investor protection laws or regulations, (b) complies with all applicable requirements in the jurisdiction in which such distribution is being made, and (c) does not restrict availability to investors having a minimum level of net worth or net investment assets; and

(2) the issuer has filed or submitted, with the appropriate regulatory authority in such jurisdiction, offering disclosure documents that are publicly available.

Despite the intention and expectation that the Sub-Fund will qualify as a Foreign Public Fund, it is possible that the Federal Reserve could determine that the Sub-Fund does not qualify. In addition, the law could change in a manner that renders the Sub-Fund ineligible. Finally, in the future, Morgan Stanley may determine that it is no longer advisable to manage the Sub-Fund in a manner that qualifies for the Foreign Public Fund exclusion.

If the Sub-Fund were to be deemed a covered fund, the Volcker Rule would impose a number of restrictions on Morgan Stanley that affect the Sub-Fund, the Investment Manager, and the Shareholders. For example, any investment by Morgan Stanley in the Sub-Fund would be generally limited to no more than 3% of the ownership interests of the Sub-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 generally to no more than 3% of the Tier 1 capital of Morgan Stanley (the "**Aggregate Investment Limit**"). Moreover, if the Sub-Fund were to be deemed a covered fund, no Morgan Stanley director or employee would be permitted to take or retain an ownership interest in the Fund, except for any director or employee who is directly engaged in providing investment

advisory or other qualifying services to the Sub-Fund at the time the director or employee takes such interest.

Accordingly, were the Sub-Fund to be deemed a covered fund Morgan Stanley would need to withdraw some (and, likely, a significant portion) of its interest in the Sub-Fund in order to satisfy the Per-Fund Limit. Similarly, the interest of any Morgan Stanley director or employee who was not providing requisite services to the Sub-Fund at the time of investment would also need to be redeemed. Withdrawals by Morgan Stanley (and, potentially, certain of its directors or employees) could have a material adverse effect on the Sub-Fund. Moreover, going forward the withdrawal or default of an investor in the Sub-Fund may cause further withdrawals by Morgan Stanley in order to satisfy the Per-Fund Limit. 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 Sub-Fund by Morgan Stanley or certain of its directors or employees would violate the Aggregate Investment Limit and trigger further withdrawals.

In addition, were the Sub-Fund to be deemed a covered fund, Morgan Stanley and all of its Affiliates would be required to limit their transactions with the Sub-Fund. In general, 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 Sub-Fund. Subject to certain exceptions, this requirement would prohibit extensions of credit to the Sub-Fund, purchases of assets from the Sub-Fund, the acceptance of the Sub-Fund's interests as collateral for a loan to any person, and the issuance of a guarantee, acceptance, or letter of credit on behalf of the Sub-Fund. The inability of Morgan Stanley to engage in such transactions could have a material adverse effect on the Sub-Fund.

Morgan Stanley's interests in determining what actions to take in complying with the Volcker Rule may conflict with the interests of the Sub-Fund, the Board of Directors, the Investment Manager, and the Shareholders, all of which may be adversely affected by such actions. In addition, further restrictions and limitations may emerge due to additional regulatory guidance and interpretations or changes in law. Moreover, 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.

Pay-to-play Laws, Regulations and Policies. A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies, which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state and municipal officials by individuals and entities seeking to do business with state and municipal entities, including those seeking investments by public retirement funds. For example, the SEC has adopted rules that, among other things, prohibit an investment advisor from providing advisory services for compensation to a government client for two-years after the advisor or certain of its executives, employees or agents makes a contribution to certain elected officials or candidates. Morgan Stanley has established policies to comply with such "pay-to-play" laws and SEC rules. Such laws, regulations, policies and rules may restrict the activities of the Sub-Fund, which may adversely impact the Sub-Fund.

Risk Arising from Potential Controlled Group Liability. Under ERISA, upon the termination of a tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its "controlled group" will be jointly and severally liable for 100% of the plan's unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the Pension Benefit Guaranty Corporation (the "**PBGC**") may assert a lien with respect to such liability against any member of the controlled group on

up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union-sponsored) defined benefit pension plan, any withdrawal liability incurred under ERISA will be assessed on a joint and several basis against the withdrawing employer and each member of its controlled group.

A “controlled group” generally includes all “trades or businesses” under 80% or greater common ownership. This common ownership test is broadly applied to include both “parent-subsidiary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that the Sub-Fund holds in one or more of its underlying entities in which investments are made, the Sub-Fund itself cannot be considered part of an ERISA controlled group unless the Sub-Fund is considered to be a “trade or business.”

While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007 the PBGC Appeals Board ruled that a private equity fund was a “trade or business” for ERISA controlled group liability purposes, and at least one Federal Circuit Court has similarly concluded that a private equity fund could be a trade or business for these purposes based upon a number of factors including the fund’s level of involvement in the management of its underlying entities and the nature of any management fee arrangements. Additionally, a federal district court has held that the interests of two separate but affiliated investment funds could, in limited circumstances, be aggregated for purposes of the 80% ownership test described above, treating the two funds as a single entity even where neither fund individually satisfied the 80% ownership test.

If the Sub-Fund were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the investment by the Sub-Fund and/or its affiliates and other co-investors in an Investment and their respective ownership interests in the Investment, that any tax-qualified single employer defined benefit pension plan underfunding liabilities and/or multiemployer plan withdrawal liabilities incurred by the Investment could result in liability being assessed against the Sub-Fund, with a resulting need for additional capital contributions, the appropriation of Sub-Fund assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain Sub-Fund assets. Moreover, regardless of whether or not the Sub-Fund were determined to be a trade or business for purposes of ERISA, a court might hold that one of the Investments could become jointly and severally liable for another Investment’s pension liabilities pursuant to the ERISA “controlled group” rules, depending upon the relevant investment structures and ownership interests as noted above. The Sub-Fund currently intends to take the positions that the Sub-Fund is not a trade or business for ERISA purposes and that ownership interests of the Sub-Fund and any other related funds are not to be aggregated when applying the controlled group ownership tests. An investment in the Sub-Fund involves complex U.S. federal income tax considerations that may differ for each investor. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in the Sub-Fund.

U.S. Tax-Related Risks. An investment in the Sub-Fund involves complex U.S. federal income tax considerations that may differ for each investor. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in the Sub-Fund.

U.S. Taxation of Sub-Fund Income.

It is expected, and this discussion assumes, that the Sub-Fund (and each other Sub-Fund of the Fund) will be treated as an association taxable as a corporation for U.S. federal income tax purposes. If, contrary to expectations, the Fund were treated as a single corporation for U.S. federal income tax purposes, the U.S. taxation of the Sub-Fund's income could be different.

The Sub-Fund will generally hold Investments directly. However, based on the outcome of investment due diligence, the Sub-Fund may determine that it is necessary or more efficient to structure a particular Investment through a holding company held by the Sub-Fund. In such cases, the Sub-Fund may perform Investments through direct or indirect interests in one or more intermediary vehicles. The intermediary vehicles may be Delaware entities treated as corporations for U.S. federal income tax purposes

The amount of taxes borne directly or indirectly by the Sub-Fund could be substantial. The Investment Manager will not have control over the investments and activities of the entities in which investments are made or certain vehicles through which they may be held and therefore cannot control the amount of income subject to taxation that the Sub-Fund will derive. The imposition of taxes on the Sub-Fund could have a substantial adverse effect on the investment return to Shareholders. Underlying entities acquired from U.S. persons will generally be organized primarily for investors that are U.S. persons subject to U.S. federal income tax. Such underlying entities in which investments are made generally will not be managed with a view to minimizing the amount of their ECI or the amount of their U.S.-source FDAP that would be subject to U.S. withholding tax if recognized by the Sub-Fund.

Other Tax Risks. FATCA. In order for the Sub-Fund and any non-U.S. vehicles through which the Sub-Fund holds investments to qualify for an exemption from a 30% withholding tax on receipt of certain "withholdable payments" under FATCA, the Sub-Fund will generally be required, among other things, to collect and report to the Luxembourg tax authorities for transmission to the IRS information regarding certain Shareholders in the Sub-Fund. In addition, the Sub-Fund may be required to request that each non-U.S. Shareholder waive the application of any law that would otherwise prevent the reporting of the relevant information to the Luxembourg tax authorities or the IRS. Any Shareholder that fails to comply with the Sub-Fund's documentation requests may be charged with any resulting taxes or penalties imposed on the Fund, and Board of Directors may require such Shareholder to sell its Shares or may redeem such Shareholder's Shares.

Changes in Tax Law. Changes or modifications in existing judicial decisions or in the current positions of the IRS or any other tax authority and the passage of new legislation could substantially modify the tax treatment described in this Supplement, possibly on a retroactive basis. The Investment Manager cannot predict whether the U.S. Congress or any other legislative body will issue new tax legislation or whether the IRS or any other tax authority will enact new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on the Sub-Fund's investment performance.

Tax Audits. Under the rules applicable to U.S. federal audits of a partnership's U.S. federal tax returns, a partnership, such as an Intermediate Vehicle, is required to designate a "partnership representative" and, if the partnership representative is an entity, to appoint an individual to act on behalf of the partnership representative. The partnership representative (and, if applicable, such individual) has the authority to make all decisions with respect to any

tax audit of, or other tax-related administrative or judicial proceeding with respect to, the partnership. Actions taken, and decisions made, by the partnership representative (and, if applicable, such individual) will be binding on the partnership and its partners. The Investment Manager will designate the partnership representative of each Intermediate Vehicle and, if applicable, the individual to act on behalf of the partnership representative. It is possible that (i) the person acting as the partnership representative of the Intermediate Vehicle, (ii) the individual, if any, appointed to act on behalf of such partnership representative or (iii) one or more of their respective affiliates will have an economic interest in the Intermediate Vehicle and therefore will have an interest in the outcome of any tax audit of, or other tax-related proceeding with respect to, the Intermediate Vehicle. A particular action or decision in the context of a tax audit or other tax-related proceeding (for example, how a particular item of income, gain, loss or deduction should be allocated) may favorably affect the partnership representative, such individual or one or more of their respective affiliates, while adversely affecting all or certain other direct or indirect investors in the Intermediate Vehicle, including Shareholders.

Other Legal, Tax and Regulatory Risks. Each of the AIFM and the Investment Manager are part of a larger firm with multiple business lines active in multiple jurisdictions that are governed by a multitude of legal systems and regulatory regimes, some of which are new and evolving. As a result, the Sub-Fund, the AIFM, the Investment Manager and their respective affiliates are subject to a significant number of legal, tax and regulatory risks, including changing laws and regulations, developing interpretations of such laws and regulations, as well as existing laws, and increased scrutiny by regulators and law enforcement authorities. Some of this evolution may be directed at the alternative fund industry in general, or certain segments of the industry, and may result in scrutiny or claims against the Sub-Fund, the AIFM, or the Investment Manager directly for actions taken or not taken by the Sub-Fund, the AIFM or the Investment Manager. There remains significant uncertainty regarding the full impact that such legislation and the regulations being proposed and promulgated thereunder will ultimately have on the Sub-Fund, the Board of Directors, the AIFM and the Investment Manager and the markets in which they trade and invest.

In addition to the legal, tax and regulatory changes that are expected to occur during the life of the Sub-Fund, there may be unanticipated changes. The legal, tax and regulatory environment for alternative investment funds, investment advisers, and the instruments that they utilize is continuously evolving. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the financial markets and the success of certain investment strategies. Further, the ability of the Sub-Fund to pursue its investment strategies may be adversely affected due to additional regulatory requirements or changes to regulatory requirements applicable to the Sub-Fund, such as requirements that may be imposed due to other activities of the AIFM, the Investment Manager or their affiliates or as a result of the investment in the Sub-Fund by certain investors or types of investors.

Any changes to current regulations or any new regulations applicable to the Sub-Fund, the AIFM and/or the Investment Manager could have a material adverse effect on the Sub-Fund (including by imposing material costs on the Sub-Fund, reducing profit margins, reducing investment opportunities, requiring a significant restructuring of the manner in which the Sub-Fund is organized, marketed or operated or by otherwise restricting the Sub-Fund, the AIFM and/or the Investment Manager). In addition, the Sub-Fund, the AIFM and the Investment Manager and/or their respective affiliates face the continuing risk of pending and potential litigation and regulatory enforcement action. These risks are often difficult or impossible to predict, avoid or mitigate. Any such litigation or regulatory enforcement action could materially adversely affect the Sub-Fund.

Prospective investors should note that Investments, and their respective managers, if applicable, generally will be subject to risks substantially similar to those described above.

The regulation of sustainability and ESG matters is a rapidly evolving area, with different ESG product categorisation, labelling and disclosures regimes emerging across the world. The Sub-Fund or its investments are, or could be, subject to such ESG regimes (including the SFDR rules), which may impact on how the Sub-Fund is categorised from an ESG or sustainability perspective in different jurisdictions, how the Sub-Fund operates and/or how the Sub-Fund deploys its capital or selects investments. Regulatory scrutiny of ESG matters has increased and ESG regulations (even if well established) and/or their interpretations are changing on an ongoing basis, particularly as the underlying science and general understanding of ESG matters increases. The Sub-Fund or its advisors may accordingly become subject to increased or more onerous ESG requirements (including with retroactive effect) which may impact on the Sub-Fund's eligibility, or continued eligibility, for specific ESG categorisations or labels, its investments or investment processes (among others).In particular, further changes are expected to the SFDR regime, which could impact on the Sub-Fund's categorisation as an Article 8 product.

Conflicts of Interest

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 and registered investment companies, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. 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 Shareholders, notwithstanding Morgan Stanley's participation in the Sub-Fund. Shareholders should be aware that potential and actual conflicts of interest between Morgan Stanley and/or any of its clients, on the one hand, and the Sub-Fund, on the other hand, may exist and others may arise in connection with the operation of the Sub-Fund. In addition, Morgan Stanley's employees may have interests separate from those of Morgan Stanley that also conflict with those of the Sub-Fund. The discussion below enumerates certain actual, apparent and potential conflicts of interest.

The Board of Directors can give no assurance that conflicts of interest will be resolved in favour of the Shareholders. By acquiring a Share in the Sub-Fund, each Shareholder will be deemed to have acknowledged the existence of such actual, apparent and potential conflicts of interest, to have consented thereto, to have waived any claim in respect of the existence of any such conflict of interest and to have acknowledged that any such conflicts will be resolved by Morgan Stanley in its discretion without any guarantee that any situation involving a conflict will be resolved in favour of the Sub-Fund.

The Investment Manager may (in consultation with the AIFM) appoint the Board of Directors (comprised of individuals, a majority of whom will be independent of Morgan Stanley) or one or more other persons (or committee of persons) who are not affiliated with Morgan Stanley (any such person or committee, including the Board of Directors, an "**Independent Person**") to review and approve or disapprove, at the request of the Investment Manager and on behalf of all Shareholders, certain matters in connection with the foregoing (including those pertaining to the Investments, if and where applicable) that require consent under the Advisers Act or other applicable law, and to review and approve or disapprove any other matters presented to

them, including certain transactions, measures and other matters arising in connection with actual and/or potential conflicts of interest. Any such approval will be binding upon the Sub-Fund and all the Shareholders. Potential investors should review this section and the Investment Manager's Form ADV Part 2A carefully before making an investment decision. Potential investors should review this section and the Investment Manager's Form ADV Part 2A carefully before making an investment decision.

By acquiring Shares, a Shareholder acknowledges and represents that it has carefully reviewed the conflicts of interest section in the general part of the Prospectus as well as the conflicts of interest section of this Supplement and understands and consents to the existence of potential conflicts of interest including, without limitation, those described in this section, and to the operation of the Sub-Fund subject to these conflicts.

Subscription Facilities. The Sub-Fund may incur indebtedness that is secured by Subscription Amounts (referred to as a "**subscription facility**"). The use of a subscription facility may present conflicts of interest as a result of certain factors, including that typically interest will accrue on any such outstanding borrowings at a rate lower than the rate of the hurdle amount, that the hurdle amount does not begin to accrue upon the incurrence of such borrowings, and that the hurdle amount only begins to accrue on the date of contribution by Shareholders to the Sub-Fund. As a result, the use of a subscription facility (or other long-term leverage) with respect to credit investments and ongoing capital needs of the Sub-Fund may reduce or eliminate the hurdle amount received by the Shareholders and accelerate or increase the Incentive Fee, providing the Board of Directors with an economic incentive to fund Investments and ongoing capital needs of the Sub-Fund through subscription facilities (or other long-term borrowings) in lieu of seeking to attract additional Subscription Amounts from Investors and to make distributions prior to repayment of such outstanding borrowings. Subject to the limitations in the Articles of Association and/or this Supplement, the use of a subscription facility (or other long-term leverage) by the Sub-Fund is within the Board of Director's discretion.

Allocation of Expenses. Expenses may be incurred that are attributable to the Sub-Fund and one or more other Affiliated Investment Accounts (including in connection with underlying entities in which investments are made in which the Sub-Fund and such other Affiliated Investment Accounts have overlapping investments and in connection with the general operation and administration of such entities). The allocation of such expenses among such entities raises potential conflicts of interest among the partners of the Sub-Fund as well as among the Sub-Fund and co-investment vehicles. Moreover, the Board of Directors has the discretion to determine whether any taxes paid or withheld from receipts of the Sub-Fund are allocable to a Shareholder, rather than the Sub-Fund, and any such allocation to a Shareholder rather than to the Sub-Fund does not reduce the distributions to such Shareholder for purposes of determining the Incentive Fee, which may create an incentive for the Board of Directors to determine such withholdings or payments to be allocable to specific investors as opposed to the Sub-Fund.

Broken Deal Expenses. The Sub-Fund may incur Operating Expenses in connection with transactions that are not consummated ("**Broken Deal Expenses**"). Co-investors in one or more specific investments (including persons who co-invest, or are approached to co-invest, with some regularity) will generally not be required to share in Broken Deal Expenses that are paid by the Sub-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 Sub-Fund. Thus, the Sub-Fund will generally bear all of the Broken Deal Expenses (together with any applicable VAT). Notwithstanding the foregoing, co-investors who have committed to

participate in a transaction and undertaken an obligation to bear a share of Broken Deal Expenses in the event such transaction is not consummated may bear a share of such Broken Deal Expenses.

In addition, the Investment Manager may form one or more co-investment vehicles to permit certain employees and directors of Morgan Stanley (or an affiliate thereof) to invest side-by-side in one or more investments made by the Sub-Fund.

Service Providers. Certain advisors and other service providers to the Sub-Fund (including accountants, the Administrator, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms) and/or their affiliates may also provide goods or services to or have business, personal, political, financial, or other relationships with Morgan Stanley, the Board of Directors, the Investment Manager, or their affiliates. Such advisors and other service providers may be investors in the Sub-Fund, affiliates of the Board of Directors, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence the Board of Directors and the Investment Manager in deciding whether to select or recommend such a service provider to perform services for the Sub-Fund (the cost of which generally will be borne by the Sub-Fund and, indirectly, the Investors). Notwithstanding the foregoing, investment transactions for the Sub-Fund that require the use of a service provider generally will be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the Board of Directors believes to be of benefit to the Sub-Fund. 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 Board of Directors, the Investment Manager, or their affiliates as compared to services provided to the Sub-Fund, which may result in more favourable rates or arrangements than those payable by the Sub-Fund.

Brokerage Activities. Brokers will be selected by the Investment Manager on the basis of seeking to obtain the best overall terms available, which the Investment Manager will evaluate based on a variety of factors, including the following (to the extent relevant to a particular trading decision): the ability to achieve prompt and reliable executions at favourable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Investment Manager's other selection criteria. Research and related services furnished by brokers may include written information and analyses concerning specific securities, companies, or sectors; market, financial and economic studies, and forecasts; statistical and pricing services, as well as discussions with research personnel, along with software, data bases and other news, technical and telecommunications services utilised in the investment management process. The Sub-Fund may pay a broker a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage, research or other services provided by the broker. In such cases, the Sub-Fund may be deemed to be paying for research and other services with "soft" or commission dollars. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. The Sub-Fund reserves the right to enter into soft dollar or directed brokerage arrangements but will generally only do so to the extent consistent with Section 28(e) of the U.S. Securities Exchange Act of 1934 (as amended, the "**Exchange Act**"). Any such arrangements may be utilised for the benefit of the

Sub-Fund and/or one or more Affiliated Investment Accounts (including Affiliated Investment Accounts that do not pay such commissions or “soft dollars”).

Secondments and Internships. Certain personnel of Morgan Stanley, including consultants, may be seconded to one or more underlying entities in which investments are made, vendors, service providers and vendors or Shareholders of the Sub-Fund and other Affiliated Investment Accounts to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Sub-Fund or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Morgan Stanley or the organisation for which the personnel are working or both. In addition, personnel of underlying entities, service providers (including law firms and accounting firms) and Shareholders of the Sub-Fund and other Affiliated Investment Accounts will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, Morgan Stanley, the underlying entities and other Affiliated Investment Accounts. While often the Sub-Fund, underlying entities, other Affiliated Investment Accounts and their portfolio entities are the beneficiaries of these types of arrangements, Morgan Stanley is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor, personnel or service provider also provides services to the Sub-Fund, other Affiliated Investment Accounts or Morgan Stanley in the ordinary course. Morgan Stanley, the Sub-Fund, underlying entities, other Affiliated Investment Accounts or their portfolio entities may or may not pay salary or cover expenses associated with such secondees and interns, and if an underlying entity pays the cost it will be borne directly or indirectly by the Sub-Fund. Morgan Stanley, the Fund, underlying entities, other Affiliated Investment Accounts or their portfolio entities could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if an underlying entity pays the cost it may be borne directly or indirectly by the Sub-Fund. The Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Morgan Stanley, the Sub-Fund, underlying entities, other Affiliated Investment Accounts, each of their respective affiliates and related parties, and Morgan Stanley will endeavor in good faith to allocate the costs of these arrangements, if any, to Morgan Stanley, the Sub-Fund, underlying entities, other Affiliated Investment Accounts and other parties based on time spent by the personnel or another methodology Morgan Stanley deems appropriate in a particular circumstance.

Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses. Morgan Stanley has sponsored, organised, managed and advised (and will continue to do so in the future) Affiliated Investment Accounts with a wide variety of investment objectives that in some instances may overlap or conflict with the investment objectives of the Sub-Fund and present conflicts of interest, including without limitation: private equity funds, real estate funds, infrastructure funds, distressed debt investment funds, credit funds, opportunistic funds, oil and gas funds and funds that invest in or alongside private equity funds, credit funds or hedge funds. In addition, Morgan Stanley’s fixed income division routinely makes equity, equity-linked and private credit investments in connection with its acquisition, monitoring and disposition of debt securities, instruments, and portfolios. Morgan Stanley may also from time to time sponsor or create new or successor Affiliated Investment Accounts that may compete with the Sub-Fund and may present similar conflicts of interest as the existing Affiliated Investment Accounts. Morgan Stanley and/or some of its Affiliated Investment Accounts have routinely made, and will continue to make, investments fall within the investment objective of the Sub-Fund. For example, Morgan Stanley may provide management and/or advisory services to certain Affiliated Investment Accounts.

Certain members of the 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 Sub-Fund. In addition, the personnel of the Investment Manager provide management and/or advisory services to various Affiliated Investment Accounts. An Affiliated Investment Account (including one with an investment objective that is similar to the Sub-Fund's investment objective) may prove more successful than the Sub-Fund in achieving the investment objective of the Sub-Fund.

Morgan Stanley currently invests and plans to continue to invest on its own behalf and on behalf of its Affiliated Investment Accounts in a wide variety of investment opportunities in North America, Europe and elsewhere. Morgan Stanley and its Affiliated Investment Accounts will be permitted to invest in investment opportunities without making the investment opportunity available to the Sub-Fund beforehand. Morgan Stanley may (and in certain cases, will be required to) offer investments that fall into the investment objectives of an Affiliated Investment Account to such Affiliated Investment Account or make such investment on its own behalf, even though such investment also falls within the investment objectives of the Sub-Fund. The Sub-Fund may invest in opportunities that one or more Affiliated Investment Accounts has declined, and vice versa. All of the foregoing may reduce the number of investment opportunities available to the Sub-Fund and may create conflicts of interest for Morgan Stanley in allocating investment opportunities among the Sub-Fund, itself, and the Affiliated Investment Accounts. There can be no assurance that any particular investment opportunities will be allocated to the Sub-Fund. In addition, certain of such Affiliated Investment Accounts have or will have priority rights (including due to applicable legal or regulatory requirements) in respect of certain types of investments. After taking account of any priority rights, including those described above, Morgan Stanley will allocate opportunities among one or more of the Sub-Fund, itself, and such Affiliated Investment Accounts in its sole discretion. In determining such allocations, Morgan Stanley will take into account such factors as it deems appropriate in its discretion in a manner consistent with its internal policies as in effect from time to time (subject to any applicable legal or regulatory requirements). Shareholders should note that the conflicts inherent in making such allocation decisions may not always be resolved to the advantage of the Sub-Fund. There can be no assurance that the Sub-Fund will have an opportunity to participate in certain opportunities that fall within the Sub-Fund's investment objectives.

With respect to broken deal expenses, the Sub-Fund and the applicable Affiliated Investment Account will generally be required to bear their pro rata portion of broken deal expenses in accordance with the amount they were expected to invest in the unconsummated deal. Travel and entertainment expenses in connection with a trip taken by the Directors for purposes of multiple matters will generally be allocated to each such matter based on the time spent for each matter and then the resulting expenses will be allocated to the Sub-Fund or the applicable Affiliated Investment Account as otherwise set forth herein.

Decisions as to the allocation of investment opportunities among the Sub-Fund and other Affiliated Investment Accounts present numerous inherent conflicts of interest, particularly where an investment opportunity has limited availability. For example, Morgan Stanley manages assets for Affiliated Investment Accounts for which it receives (and certain of its personnel may be entitled to a portion of) a performance-based allocation or fee, including the Sub-Fund, and at the same time it manages Affiliated Investment Accounts that do not charge a performance-based fee or allocation. A conflict of interest may be created when such simultaneous management exists as Morgan Stanley, a portfolio manager or an investment committee member (including a member of the investment team or the investment committee) may be incentivised to favour the Affiliated Investment Accounts that charge a performance-

based allocation or fee (or a higher performance-based allocation or fee than other Affiliated Investment Accounts that also charge a performance-based allocation or fee) when making allocations of investment opportunities in light of the possibility of earning higher fees on those Affiliated Investment Accounts that charge such fees. A similar conflict may arise in situations where there are differences in the investments of Morgan Stanley and/or its personnel in Affiliated Investment Accounts. In order to address potential conflicts of interest and to attempt to allocate investment opportunities in a fair and equitable manner, the Investment Manager will implement these and other allocation-related policies and procedures. These policies and procedures are intended to give all Affiliated Investment Accounts and the Sub-Fund, fair access to new investment opportunities consistent with the requirements of organisational documents, investment strategies, applicable laws and regulations and the fiduciary duties of the Investment Manager that were designed to require that all investment allocation decisions made by the Investment Manager are being made fairly and equitably among Affiliated Investment Accounts over time. These policies and procedures are subject to change from time to time in the Investment Manager's sole discretion and without notice to Shareholders.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite the Sub-Fund to co-invest with it, or the Investment Manager may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Sub-Fund in the same Investment, at either the same time or at a different time and in either the same or different tiers of an Investment's capital structure or in an Affiliate of such Investment. In addition to such co-investments, the Sub-Fund and Morgan Stanley or an Affiliated Investment Account may, as part of unrelated transactions, invest in either the same or different tiers of an Investment's capital structure or in an Affiliate of such Investment. To the extent the Sub-Fund holds investments in the same Investment 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 Investment Manager and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict (e.g., over the terms, exit strategies and related matters, including the exercise of remedies of their respective investments). If the Investment in which the Sub-Fund has an investment and in which Morgan Stanley or an Affiliated Investment Account has an equity or senior debt investment elsewhere in the Investment's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Affiliated Investment Account, the Sub-Fund, certain of its other Affiliates and the Investment. In that regard, actions may be taken for Morgan Stanley or such Affiliated Investment Account that are adverse to the Sub-Fund, or actions may or may not be taken by the Sub-Fund due to Morgan Stanley's or such Affiliated Investment Account's investment, which action or failure to act may be adverse to the Sub-Fund. The Investment Manager may seek Shareholder, Independent Persons or other independent third-party approval in connection with certain of such actions and such approval will be binding upon the Sub-Fund and the Shareholders. In addition, it is possible that in a bankruptcy proceeding, the Sub-Fund's interest may be subordinated or otherwise adversely affected by virtue of Morgan Stanley's or such Affiliated Investment Account's involvement and actions relating to its investment.

Where the Sub-Fund invests in an Investment in which an Affiliated Investment Account has an equity interest or debt interest in the same tranche as the Sub-Fund, such Affiliated Investment Account may have bought or sold its interest in such Investment at a different time and may have paid or received a different price than the Sub-Fund. In making decisions with regards to such Investments, the applicable Affiliated Investment Account (including an Affiliated Investment Account managed by the investment team) may make investment decisions with regards to such Investment (including with respect to voting its interest or selling or otherwise disposing of such Investment) without regard to the interests of the Sub-Fund and

may take action inconsistent with that of the Sub-Fund. Similarly, the Sub-Fund may act similarly without regard to the interests of such Affiliated Investment Account.

Decisions about what action should be taken in a troubled situation, including whether to enforce claims, whether to advocate or initiate restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If an Investment becomes troubled, the Sub-Fund might arguably be best served by a liquidation that would result in its debt being paid but leave nothing for Morgan Stanley or such Affiliated Investment Accounts. In those circumstances where the Sub-Fund and Morgan Stanley or such Affiliated Investment Accounts hold investments in different classes of an Investment's debt or equity, Morgan Stanley may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between the Sub-Fund and Morgan Stanley or such Affiliated Investment Accounts, including by listing, causing the Sub-Fund to take certain actions that, in the absence of such conflict, it would not take, such as (A) remaining passive in a restructuring or similar situations (including electing not to vote or voting pro rata with other security holders), (B) divesting investments or (C) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting Morgan Stanley or such Affiliated Investment Accounts and therefore may not have been in the best interests of, and may have been adverse to, the Sub-Fund. A similar standard generally will apply if Morgan Stanley or such Affiliated Investment Accounts make an investment in an Investment or asset in which the Sub-Fund holds an investment in a different class of such Investment's debt or equity securities or such asset.

Under certain circumstances, an acquisition of debt by the Sub-Fund in an Investment in which Morgan Stanley or any of its Affiliated Investment Accounts holds an equity interest may result in adverse U.S. tax consequences to the Investment and to the Sub-Fund. Specifically, if the Sub-Fund were treated as being related to the Investment for U.S. tax purposes, an acquisition by the Sub-Fund of the Investment's debt at a discount to the adjusted issue price of such debt may result in the Investment recognising cancellation of indebtedness income and the Sub-Fund being required to treat the discount as "original issue discount" (rather than "market discount"), resulting in phantom income to the Shareholders. It is possible that the Investment Manager may decide not to acquire such debt in order to avoid the adverse tax consequences.

It is possible that Morgan Stanley or an Affiliated Investment Account will invest in a company that is or becomes a competitor of an Investment of the Sub-Fund. Such investment could create a conflict between the Sub-Fund, on the one hand, and the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the Investment. In addition, certain Affiliated Investment Accounts will be focused primarily on investing in other funds which may have strategies that overlap and/or directly conflict and compete with the Sub-Fund.

Although it is expected that any co-investments made by the Sub-Fund and Morgan Stanley or an Affiliated Investment Account in the same instruments at the same time will generally be disposed of in substantially the same proportion, and on substantially the same terms, subject to legal, tax, regulatory or other considerations, there can be no assurance that the interests in an Investment held by the Sub-Fund will be harvested on as favourable terms as the interests in such Investment held by Morgan Stanley or an Affiliated Investment Account. Further, the disposal by Morgan Stanley or an Affiliated Investment Account may depress the market value of the continuing Investment of the Sub-Fund or may reduce the price available to the Sub-Fund, which may also be disposing of such Investment.

It should be noted that Morgan Stanley has, directly or indirectly, made large investments in certain of its Affiliated Investment Accounts, and accordingly, Morgan Stanley's significant investment in the Sub-Fund may not be a determining factor in the outcome of any of the foregoing conflicts.

Nothing in this Supplement, the Prospectus or in the Articles of Association precludes, restricts or in any way limits the activities of Morgan Stanley, including its ability to buy or sell interests in, or provide financing to, equity and/or debt instruments, funds, or Investments, for its own accounts or for the accounts of Affiliated Investment Accounts or other investment funds or clients.

Risks Relating to Investment Decisions. Where the Sub-Fund, on the one hand, and any Affiliated Investment Accounts, on the other hand, participate (or intend to participate) in the same investment, the Investment Manager may determine to make different investment management decisions (i.e., sale, disposition, additional investment and other decisions) with respect to each fund due to differences in their investment mandates, commitment periods, terms or other considerations. As a result, investment decisions by the Investment Manager with respect to each fund's investment in a common Investment, including the timing of sales, may be made independently, which may result in different rates of return and profit and loss on the investment and adverse consequences for the Sub-Fund or such Investment. Alternatively, as a result of the funds' co-investment in a common Investment, it may be difficult, impractical or costly for the Investment Manager to dispose of an investment on behalf of one fund but not on behalf of the other fund. As a result, the Investment Manager may be incentivised to accelerate or delay the sale, disposition or restructuring of an investment, which may have an adverse effect on the returns to the Sub-Fund. Further, the Sub-Fund may hold a minority interest in an Investment in which an Affiliated Investment Account owns a majority interest, and the Sub-Fund could be adversely affected in the context of restructuring and / or recapitalisation transactions with respect to such Investment.

Allocation of Investment Opportunities; Other Investment Activities of Morgan Stanley. The allocation of investment opportunities among one or more of *inter alia* itself, its Affiliates or the Sub-Fund will be in the discretion of the Investment Manager, in accordance with its respective guidelines and based on such considerations as it deems appropriate, which may include, but are not limited to the following: investment objectives, available capital, applicable concentration limits and other investment guidelines, goals and restrictions, mandatory minimum investment rights, existing allocations to similar strategies, portfolio diversification objectives, the overall risk profile of a portfolio, legal, tax and regulatory considerations and other considerations deemed relevant by the Investment Manager. Certain Affiliated Investment Accounts have the right or may be given the opportunity to invest alongside the Sub-Fund and / or Morgan Stanley in certain investments made by the Sub-Fund and / or Morgan Stanley. Such Affiliated Investment Accounts may include one or more Morgan Stanley-managed co-invest entities comprised of investors of the Sub-Fund, investors in certain Affiliated Investment Accounts and / or third-party investors, in each case, that are formed or have mandates to invest alongside the Sub-Fund, certain Affiliated Investment Accounts and / or Morgan Stanley.

The Investment Manager may establish sharing percentages between the Sub-Fund and Affiliated Investment Accounts from time to time with respect to certain investments or types of investments. The Investment Manager will have substantial discretion in applying any such sharing percentages, the Investment Manager may have a conflict of interest in making such determinations and such targeted sharing percentages might result in the Sub-Fund not being fully invested. The Investment Manager will have the right to change any such targeted sharing

percentages at any time and from time to time. In addition, based on various considerations (including, but not limited to, the concentration of investments, geography and industry-specific factors), the Investment Manager may cause the Sub-Fund to invest alongside the Affiliated Investment Accounts in a ratio not indicated by any applicable targeted sharing percentage. The Investment Manager may have an incentive to cause the Sub-Fund's share of an investment to exceed the applicable targeted sharing percentage where the Investment Manager had or expects to have trouble syndicating a portion of the applicable investment opportunity to other co-investors. Conversely, the Investment Manager may have an incentive to cause the Sub-Fund's share of an investment to be less than any applicable targeted sharing percentage where the Investment Manager wants to increase participation by Affiliated Investment Accounts, other co-investors or Morgan Stanley. Additionally, for the avoidance of doubt, certain investment opportunities may be allocated fully to the Sub-Fund, with no participation by Morgan Stanley or any Affiliated Investment Accounts.

If an investment represents an "add-on" investment opportunity for Morgan Stanley, the Sub-Fund or an Affiliated Investment Account, there can be conflicts of interest, including the determination of the economic terms of the new investment. Although it is not currently contemplated, add-on investment opportunities may be available to the Sub-Fund with no existing investment in the applicable Investment, creating an incentive to use the assets of the Sub-Fund to support investments of the Affiliated Investment Accounts. In addition, in certain situations where the Sub-Fund holds a minority interest in a particular investment in an Investment, conflicts of interest in recapitalisation transactions arise between the Sub-Fund and the Affiliated Investment Accounts with existing investments in such Investment, on the one hand, and Affiliated Investment Accounts which have opposing interests regarding pricing and other terms, on the other hand.

No part of Morgan Stanley will be under any obligation or fiduciary or other duty to make any investments available to the Sub-Fund. Investment opportunities initially offered the Sub-Fund, or any portion thereof, in which the Sub-Fund does not participate, may be offered to the Affiliated Investment Accounts, including Morgan Stanley for its own account, investment vehicles organised to facilitate investment by Morgan Stanley's current or former directors, partners, trustees, managers, members, officers, consultants, employees, and their families and related entities, including employee benefit plans in which they participate, all or certain investors in the Sub-Fund or the Affiliated Investment Accounts or such other persons or entities as determined by Morgan Stanley in its sole discretion, and the Sub-Fund will not receive any compensation related to any such opportunities.

Allocation of Personnel, Services and / or Resources. Conflicts of interest may arise in allocating time, personnel and / or resources among the investment activities of the Sub-Fund, on the one hand, and the Affiliated Investment Accounts, on the other hand.

Diverse Interests of the Sub-Fund and Affiliated Investment Accounts. It is expected that the Sub-Fund will, subject to applicable law, invest alongside Affiliated Investment Accounts in certain investments. The Sub-Fund and the Affiliated Investment Accounts, and their respective investors, including Morgan Stanley, may have conflicting investment and other interests with respect to the investments made, including as a result of different investment mandates and regulatory restrictions.

Conflicts of interest may arise in connection with decisions made by the Investment Manager, which may be more beneficial for the Affiliated Investment Accounts and their investors and / or Morgan Stanley, on the one hand, than for the Sub-Fund and the Shareholders, on the other

hand. In addition, the amounts and types of leverage incurred by the Affiliated Investment Accounts and the Sub-Fund will be different. The terms of such leverage may require or otherwise cause the Investment Manager to seek to manage the Sub-Fund's investments differently than the manner in which Morgan Stanley manages the Affiliated Investment Accounts' investments and may require or cause the Sub-Fund to take or not to take actions with respect to an investment that are different than those taken by the Affiliated Investment Accounts. Such actions or inactions may adversely affect the Sub-Fund and / or the value of its investments.

The Investment Manager has broad discretion on behalf of the Sub-Fund to engage in certain transactions which may have the effect of delaying the Sub-Fund's receipt of proceeds, foregoing and reinvesting distributions and extending investment horizons. The Investment Manager is not required to cause any Affiliated Investment Accounts to engage in any such transaction, which may materially affect the returns of the Sub-Fund relative to the Affiliated Investment Accounts. The Investment Manager also has broad discretion on behalf of the Sub-Fund to make an investment (or continue, convert or exchange an investment) in one or more Investments whose debt is, prior to consummation of such transaction, held by Affiliated Investment Accounts and which such debt is being repaid as part of the transaction by which the Sub-Fund is investing (or continuing, converting or exchanging its investment); the Investment Manager is not required to cause any Affiliated Investment Accounts to continue, convert or exchange such debt, even if the Sub-Fund does do so, which may affect the performance of the Sub-Fund, including relative to the Affiliated Investment Accounts.

It is expected that the participation of the Sub-Fund and the Affiliated Investment Accounts in investments will vary as between such entities based upon relevant legal, regulatory, tax, portfolio concentration, investment mandate and such other considerations that the Investment Manager deems appropriate. As a result, the investment portfolio, risk profile and investment returns of and fees and performance fee paid by the Affiliated Investment Accounts and the Sub-Fund will differ.

Agreements for theSub- Fund and Other Clients. When investing the Investment Manager may have an opportunity to negotiate agreements which provide more advantageous investment terms for the Sub-Fund and its other clients than may be available to other investors in such investments. Although the Investment Manager endeavors to negotiate the same terms of behalf of all of its clients for which such an Investment is deemed by the Investment Manager to be an appropriate Investment, there may be situations where regulatory requirements, investment objectives, the timing of investments, a historical relationship with the Investment Manager, or other considerations result in differences among clients in the terms or the availability of the benefits of any such agreements. Furthermore, there may be circumstances where the benefit provided cannot be exercised by all clients simultaneously or where one client directly or indirectly receives a greater benefit due to the participation by another client. Also, although the Investment Manager may negotiate terms which it considers more advantageous overall, concessions may be required to obtain such terms.

Morgan Stanley Seed Capital. All decisions to make any investments acquired with Morgan Stanley's seed capital will be in the discretion of the Investment Manager and subject to the approval of an Independent Person, and Shareholders will not have an opportunity to evaluate such investments or their terms. Morgan Stanley will determine, in its discretion, when to cause the Sub-Fund to use the Subscription Amounts of Shareholders to redeem such seed investment, which will affect the amount that will be paid to Morgan Stanley upon such redemption.

Incentive Fee. While the Incentive Fee to be received by the Investment Manager may create an incentive for the Investment Manager to make more speculative Investments for the Sub-Fund than it would otherwise make in the absence of such performance-based fee, the existence of such an arrangement often serves to align the interests of the Investment Manager and the Shareholders, and to incentivise the Investment Manager to seek to maximise the profitability of the Sub-Fund's investments. In addition, the method of calculating the preferred return and the Incentive Fee to be received by the Investment Manager may result in conflicts of interest between the Investment Manager and the Shareholders with respect to the management and disposition of Investments, including the timing and sequence of such dispositions. In calculating Incentive Fee and making corresponding payments, the Investment Manager may be required by the Articles of Association or the Prospectus to provide valuations for certain of the Sub-Fund's unrealised Investments. In addition, the Investment Manager will generally value any securities being distributed in-kind to investors in order to calculate the Incentive Fee. The AIFM will be responsible for such valuations of the Investments, which will be provided by the Investment Manager. If the valuations conducted by the Investment Manager are incorrect, the amount and the timing of payment of Incentive Fee could be incorrect. Finally, the Investment Manager and/or its Affiliates may be incentivised to allocate all or a portion of certain investment opportunities to Affiliated Investment Accounts that provide for the payment of a higher performance-based compensation and not to the Sub-Fund.

Morgan Stanley Trading and Principal Investing Activities. Morgan Stanley generally will conduct its sales and trading businesses, publish research and analyses, and render investment advice without regard for the Sub-Fund's holdings, although these activities could have an impact on the value of one or more Investments or could cause Morgan Stanley to have an interest in one or more Investments that is different from, and potentially adverse to, that of the Sub-Fund.

Notwithstanding anything to the contrary herein, Morgan Stanley's sales and trading, financing, and principal investing businesses (whether or not specifically identified as such and including Morgan Stanley's trading and principal investing businesses) will not be required to offer any investment opportunities to the Sub-Fund. These businesses may encompass, among other things, principal trading activities as well as principal investing.

Morgan Stanley's sales and trading, financing, and principal investing businesses have acquired or invested, and in the future may acquire or invest, in minority and/or majority control positions in equity or debt instruments of diverse public and/or private companies. Such activities may put Morgan Stanley in a position to exercise contractual, voting, or creditor rights, or management or other control with respect to securities or loans of Investments or other issuers, and in these instances, Morgan Stanley may, in its discretion, act to protect its own interests or interests of clients, and not the interests of the Sub-Fund.

Subject to the investment limitations set forth in the Articles of Association, the Sub-Fund may purchase from or sell to, or make Investments in, companies in which Morgan Stanley has or may acquire an interest, including as an owner, creditor, or counterparty.

Commodities and Global-Structured Products. Morgan Stanley's commodities business will not be required to offer any investment opportunity to the Sub-Fund. This business includes or may include in the future (but is not limited to) the ownership (whether directly or indirectly, in whole or in part), financing, hedging, trading, production, storage and delivery of various types of commodities and commodity-related products and commodity-related assets,

including, without limitation, energy (power and capacity), coal, emissions, oil and its by-products, natural gas, metals and minerals, agricultural products, wind-powered energy, renewables, biodiesels, shipping, transmission, port and storage facilities, conversion facilities or any associated land or other facilities and generation.

Morgan Stanley's global-structured products business will not be required to offer any investment opportunity to the Sub-Fund. This business is a joint venture among Morgan Stanley's investment banking, fixed income and consolidated equities divisions that pursues structured tax-advantaged transactions primarily on behalf of Morgan Stanley.

Morgan Stanley's Restructuring Activities. Morgan Stanley may be engaged to act as financial adviser to financially troubled companies in connection with the restructuring of their capital structures or in connection with their bankruptcy. 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 of existing securities or for an equity infusion. If the Sub-Fund were invested in such a company, certain conflicts of interest would be inherent in the situation, including those involved in negotiation of a purchase price.

Morgan Stanley's Loan Syndication and Administration Activities. Morgan Stanley is engaged in the business of making, underwriting, administrating, and syndicating senior and other loans to corporate and other issuers, which may include issuers in which the Sub-Fund has invested or will consider investing as part of its Private Investments in private credit. The Sub-Fund may, and is expected to, invest in transactions in which Morgan Stanley acts as arranger or administrative agent for, and receives fees from, such issuers. Any fees earned by Morgan Stanley as an administrative agent or arranger of loans will not be shared with the Sub-Fund. If the Sub-Fund were to purchase loans from Morgan Stanley or participate in loans arranged or administrated by Morgan Stanley, or Morgan Stanley were to receive a fee from an issuer for placing loans (or participation interests therein) with the Sub-Fund, or for acting as administrative agent with respect to such loans, certain conflicts of interest, in addition to the receipt of fees, would be inherent in the transaction. For example, Morgan Stanley as administrative agent or arranger may be exposed to liabilities to purchasers of loans or participation interests therein (including the Sub-Fund) and others in connection with the services it renders in such capacities and its defence of such liabilities could, and is expected to, result in it taking actions in its own interests that are contrary to the interests of purchasers of loans or participation interests therein, which may include the Sub-Fund. Moreover, the interests of Morgan Stanley or one of Morgan Stanley's clients with respect to an issuer of a loan (or participation interest therein) could be adverse to the best interests of the Sub-Fund in its capacity as a holder of all or a portion of such loan (or participation interests therein). To the extent the Sub-Fund holds loans (or participation interests therein) with respect to which Morgan Stanley acts as arranger or administrative agent, the Investment Manager and Morgan Stanley may be presented with decisions where the interests of the Sub-Fund, on the one hand, and the interests of Morgan Stanley or the issuer of such loans, on the other hand, are in conflict, including decisions about what actions should be taken upon default or breach and whether to enforce or pursue claims. If the issuer becomes distressed or if the issuer or Morgan Stanley defaults on its obligations or makes an error under the relevant loan agreement (or the administration agreement relating thereto), Morgan Stanley may have conflicting loyalties between its own interests, the interests of the issuer and the interests of the Sub-Fund. In that regard, actions might be taken by Morgan Stanley that are adverse to the Sub-Fund, or the Investment Manager might cause the Sub-Fund to take certain actions that it would not take if Morgan Stanley were not the arranger or administrative agent on the relevant loan, which action or failure to act could have the effect of benefiting Morgan Stanley while being adverse to the Sub-Fund. Morgan Stanley, in its capacity as arranger or administrative agent, will be

acting solely for itself or its other clients and in such capacity is permitted and expected to act in its own best interests or in the best interests of such clients (or otherwise prioritise such interests) and will have no obligation to act in the best interests of the Sub-Fund or the Shareholders (or otherwise prioritise such interests).

To facilitate the Sub-Fund's investment in private credit instruments of Investments for which Morgan Stanley is acting as an arranger or administrative agent, the Board of Directors is permitted (but not required) to seek Shareholder or other independent third-party approval or review in connection with certain of the conflicts of interest inherent in such transactions or with respect to any proposed action or inaction, with any such approval constituting approval of the Sub-Fund on behalf of all Shareholders for any conflict or course of action/inaction so approved. For the avoidance of doubt, in lieu of or in addition to the foregoing, the Board of Directors is permitted (but not required) to cause the Sub-Fund to follow the actions (including inaction) of one or more holders of the applicable private credit instrument that are unaffiliated with Morgan Stanley, and each Shareholder acknowledges that such course of action or inaction shall be a satisfactory resolution of the aforementioned conflict of interest.

Moreover, Morgan Stanley is permitted and expected to take (or refrain from taking) certain actions that affect the Sub-Fund (or its Investments) as a result of Morgan Stanley's reputation in the marketplace and relationships with other Persons, and the Investment Manager is entitled to determine in its sole discretion whether or not to take certain actions on behalf of the Sub-Fund in order to protect or preserve Morgan Stanley's reputation. As a result, there might be certain rights or activities that the Investment Manager will not undertake on behalf of the Sub-Fund (including in connection with distressed or adverse situations involving an Investment), even if such actions would be in the Sub-Fund's best interests.

Principal Investments. There may be situations in which the interests of the Sub-Fund in Investments may conflict with the interests of one or more general accounts of Morgan Stanley and its Affiliates or accounts managed by Morgan Stanley or their Affiliates. This may occur because these accounts hold public and private debt and equity securities of a large number of issuers which may be or become Investments, or from whom Investments may be acquired. The Board of Directors believes that the participation of Morgan Stanley in the capital markets is a significant factor in ensuring the Board of Directors' continuing access to new transactions for investment by the Sub-Fund and that this participation is believed by the Board of Directors to be, on balance, beneficial to the Sub-Fund.

Independent Investments by Shareholders in Underlying Entities. The Sub-Fund and the Affiliated Investment Accounts may invest in underlying entities in which Shareholders have an existing independent interest, and the Sub-Fund may be granted certain rights not held by such Shareholders. These rights could include, among other rights, reduced management fees or carried interest payments and the right to supplemental information and reporting. The interests of the Sub-Fund and the related investment accounts may differ from the interests of such Investors, and as a result, the Sub-Fund and related investment accounts may take actions with respect to underlying entities that are (a) different from such Shareholder's actions, or (b) adverse to the interests of such Shareholder.

Transactions by Morgan Stanley. Morgan Stanley may pursue acquisitions of assets and businesses and identification of investment opportunities in connection with its existing businesses or a new line of business without first offering such opportunity to the Sub-Fund. Such an opportunity could include a business that competes with the Sub-Fund, an underlying

fund or an underlying entity in which the Sub-Fund or an underlying fund has invested or proposes to invest.

From time to time, Morgan Stanley may pursue the development of investment managers who will manage private investment funds that would otherwise qualify as investments for the Sub-Fund.

Other Affiliate Transactions. In connection with selling Investments by way of a public offering, Morgan Stanley may act as the managing underwriter or a member of the underwriting syndicate on a firm commitment basis and purchase securities from the Sub-Fund. Morgan Stanley also may, on behalf of the Sub-Fund, effect transactions, including transactions in the secondary markets where Morgan Stanley is also acting as a broker or other advisor for the Sub-Fund or on the other side of the same transaction. Morgan Stanley may receive commissions from such agency cross-transactions and has a potential conflict of interest regarding the Sub-Fund and the other parties to those transactions. The Board of Directors will approve any such transactions in which Morgan Stanley acts as an underwriter, as broker for the Sub-Fund, or as broker or advisor on the other side of a transaction with the Sub-Fund or bunches or aggregates transactions with others only where it believes in good faith that such transactions are appropriate for the Sub-Fund and, by executing the Articles of Association, an investor will consent to all such transactions, along with the other transactions involving conflicts of interest described in this Supplement and Prospectus, to the fullest extent permitted by law. In addition, from time to time, the Investment Manager may seek to effect a purchase or sale of an investment between the Sub-Fund and one or more other Affiliated Investment Accounts (for example, where such investment is bridged by an Affiliated Investment Account). Such transactions will generally not require the consent of the Sub-Fund under applicable law and, accordingly, the Investment Manager may cause such transactions to be effected without such prior consent.

Mitsubishi UFJ Financial Group ("**MUFG**") is one of the major shareholders of Morgan Stanley. Morgan Stanley and MUFG have agreed to pursue a global strategic alliance and have identified numerous areas of collaboration, including asset management, capital markets and corporate and retail banking. While the Sub-Fund may transact business with MUFG and its Affiliates, such transactions will be on an arm's-length basis.

Financial Interests of Morgan Stanley Personnel May Incentivise Morgan Stanley Personnel to Promote the Sale of Shares in the Sub-Fund. Morgan Stanley Wealth Management ("**MSWM**") and certain of its Affiliates may assist in the placement of Shares in the Sub-Fund (in such capacity, the "**Affiliated Placement Agents**"). Each Investor that purchases Shares through an Affiliated Placement Agent may receive additional disclosures from the Affiliated Placement Agent regarding services provided by the Affiliated Placement Agent and the fees received by the Affiliated Placement Agent and/or their salespersons (i.e., financial advisors and private wealth advisors) in connection with the sale of Shares in the Sub-Fund, and should review such disclosures carefully prior to making an investment in the Sub-Fund. The prospect of receiving, or the receipt of, additional compensation by the Affiliated Placement Agents may provide such Affiliated Placement Agents and/or their salespersons (i.e., financial advisors and private wealth advisors) with an incentive to favour sales of Shares in the Sub-Fund 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 Affiliated Placement Agent does not receive additional compensation, or receives lower levels of additional compensation.

In addition, the Investment Manager will seek to source certain investment opportunities from MSWM's network of financial advisors and private wealth advisors, who will be compensated for sourcing an Investment that is ultimately consummated by the Sub-Fund. A financial advisor or private wealth advisor, therefore, may be compensated for both a sale of Shares in the Sub-Fund and for sourcing an Investment. Sufficient capital from the sale of Shares in the Sub-Fund is required for such Investments to be consummated, and, therefore, financial advisors and private wealth advisors who may receive compensation for sourcing Investments have an incentive to promote sales of Shares in the Sub-Fund and have an incentive to source Investments regardless of the expected performance of such Investments.

Prospective investors should take such payment arrangements into account when considering and evaluating any recommendations related to Shares in the Sub-Fund.

Non-Public Information. It is expected that confidential or material non-public information regarding an Investment or potential investment opportunity may become available to Morgan Stanley. If such information becomes available to Morgan Stanley, the Sub-Fund may be precluded (including by applicable law or internal policies or procedures) from pursuing an investment or exit opportunity with respect to such Investment or investment opportunity. In addition, as a result of Morgan Stanley's policies regarding disclosure of security holdings of Morgan Stanley and its Affiliated Investment Accounts, the Sub-Fund may dispose of an investment sooner than desired or take another action with respect to such investment. Morgan Stanley may also from time to time be subject to contractual "stand-still" obligations and/or confidentiality obligations that may restrict its ability to trade in certain Investments on behalf of the Sub-Fund. In addition, Morgan Stanley may be precluded from disclosing such information to the Board of Directors or any member of the investment team, even in circumstances in which the information would benefit the Sub-Fund if disclosed. Therefore, the Board of Directors may not be provided access to material non-public information in the possession of Morgan Stanley that might be relevant to an investment decision to be made by the Sub-Fund, and the Sub-Fund may initiate a transaction or sell an investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the investment team and the investment committee 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 Sub-Fund. Furthermore, access to certain parts of Morgan Stanley may be subject to third-party confidentiality obligations and to information barriers established by Morgan Stanley in order to manage potential conflicts of interest. Accordingly, the Sub-Fund's ability to source investments from other business units within Morgan Stanley may be limited and there can be no assurance that the Sub-Fund will be able to source any investments from any one or more parts of the Morgan Stanley network.

Morgan Stanley's Investment Banking Activities. Morgan Stanley advises clients on a variety of mergers, acquisitions, and financing transactions. Morgan Stanley may act as an advisor to clients, including other investment funds that may compete with the Sub-Fund, with respect to investments in opportunities in which the Sub-Fund invests. Morgan Stanley may give advice and take action with respect to any of its clients or proprietary accounts that may differ from the advice given or may involve a different timing or nature from action taken, by the Sub-Fund. Morgan Stanley may give advice and provide recommendations to persons competing with the Sub-Fund and/or any Investment that are contrary to the Shares of the Sub-Fund and/or any Investment.

Morgan Stanley could be engaged in financial advising, whether on the buy-side or sell-side, or in financing or lending assignments that result in Morgan Stanley's determining in its

discretion or being required to act exclusively on behalf of one or more third parties, which could limit the Sub-Fund's ability to transact with respect to one or more existing or potential Investments. Alternatively, there could be buy-side or sell-side assignments in which the buyer or seller permits the Sub-Fund to act as a participant in the transaction. In such cases, certain conflicts of interest would be inherent, including those involved in negotiating a purchase price. Morgan Stanley may have relationships with or advise third-party funds, companies or investors who may have invested in or may look to invest in Investments, and there could be conflicts between the interests of the Sub-Fund, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand. From time to time, Morgan Stanley's investment banking professionals may introduce to the Sub-Fund a client that requires financing to complete an acquisition transaction. If the Sub-Fund pursues the resulting investment, Morgan Stanley could have a conflict in its representation of the client over the price and terms of the Sub-Fund's investment.

Morgan Stanley has long-term relationships with a significant number of companies and their senior management. In determining whether to pursue a particular transaction on behalf of the Sub-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 Sub-Fund in view of such relationships.

To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, the Board of Directors' flexibility in making investments in such restructurings on behalf of the Sub-Fund may be limited.

Morgan Stanley could provide investment banking services to competitors of Investments as well as to other private equity funds; such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Sub-Fund's investment and may also result in a conflict in respect of the allocation of investment banking resources to Investments.

The Sub-Fund and the Investments may engage Morgan Stanley to perform investment banking services, including advice on valuing, structuring, negotiating, and arranging financing for certain transactions, and Morgan Stanley may also earn fees in connection with unconsummated transactions. In such situations, Morgan Stanley will generally receive fees based on the prevailing market rates for such services upon the consummation of the investment banking transaction for which it was retained. Morgan Stanley will not share these fees with the investment team, the Sub-Fund, or the Shareholders. Accordingly, Morgan Stanley may be paid fees from an Investment before the Sub-Fund receives a return on its investment in the Investment, and such fees will not generally vary based on the success of the Sub-Fund's investment. Other compensation may include warrants to purchase an equity interest or other securities in the Investment for which the transaction is being undertaken. Morgan Stanley may also make interest-bearing loans to the Sub-Fund and Investments and may act as agent in connection with the placement or syndication of their indebtedness. In addition, the Sub-Fund may pay fees to Morgan Stanley for audit, tax, accounting, legal and administrative services provided to the Sub-Fund (at rates rendered on an arms-length basis, as determined in good faith by the Board of Directors). Morgan Stanley may also provide a broad range of financial services to Investments in which the Sub-Fund has (or is considering making) an Investment, including strategic and financial advisory services, interim acquisition financing and other lending and underwriting or placement of securities, and Morgan Stanley generally will be paid fees (that may include warrants or other securities) for such services. Morgan Stanley will not share any of the foregoing interest, fees and other compensation received by it (including, for the avoidance of doubt, amounts received by the Investment

Manager) with the Sub-Fund or the Shareholders, and neither the Management Fee nor the Incentive Fee payable by or on behalf of the Sub-Fund and any Shareholder will be reduced thereby.

Morgan Stanley may be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities and may provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realised consideration and is usually contingent, in substantial part, upon the closing of the transaction. The Sub-Fund may be precluded from buying or participating in a loan to the company being sold if the seller has required Morgan Stanley to act exclusively on its behalf. Additionally, there may be seller assignments in which the seller permits the Sub-Fund to act as a participant in the purchase of the company. In that case, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price. If a Morgan Stanley Affiliate serves as underwriter with respect to an Investment's securities, the Sub-Fund may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any Investments that it continues to hold would be restricted. This may prejudice the Sub-Fund's ability to dispose of its Investments at an opportune time.

Morgan Stanley may derive ancillary benefits from providing any such services to the Sub-Fund and/or an Investment and providing such services may enhance Morgan Stanley's relationships with various parties, facilitate additional business development and enable Morgan Stanley to obtain additional business and generate additional revenue. In addition, Morgan Stanley may derive ancillary benefits from certain decisions made by the Board of Directors and/or the Investment Manager. While the Board of Directors and the Investment Manager will make decisions for the Sub-Fund in accordance with their obligations to manage the Sub-Fund appropriately, the fees, allocations, compensation and other benefits to Morgan Stanley (including benefits relating to business relationships of Morgan Stanley) arising from those decisions may be greater as a result of certain portfolio, investment, service provider or other decisions made for the Sub-Fund than they would have been had other decisions been made, which also might have been appropriate for the Sub-Fund. Morgan Stanley will not share any of the interest, fees and other compensation discussed herein received by it (including, for the avoidance of doubt, amounts received by the Investment Manager, other than as specifically set herein and in the Articles of Association or the Management Agreement) with the Sub-Fund or the Shareholders, and neither the Management Fee or the Incentive Fee payable by or on behalf of the Sub-Fund and any Shareholder will be reduced thereby.

Morgan Stanley's Investment Management Activities. Morgan Stanley conducts a variety of investment management activities, including sponsoring investment funds registered under the Investment Company Act subject to its rules and regulations. Such activities also include managing assets of pension funds that are subject to federal pension law and its regulations. Such activities are generally restricted to investments in publicly traded securities but may present conflicts if the Sub-Fund pursues an investment in, or if one of the Investments seeks to acquire or merge with, a public company in which Morgan Stanley's investment management clients and investment companies have previously invested.

Morgan Stanley's Marketing Activities. Morgan Stanley is engaged in the business of underwriting, syndicating, brokering, administering, servicing, arranging, and advising on the distribution of a wide variety of alternative structured products and other securities, including, without limitation, royalty-backed bonds and royalty sales, tax receivable agreements, index dividend swaps, synthetic performing loan securitisations, CLOs and CMBS.

In connection with the Sub-Fund's investment in Morgan Stanley European Private Income Fund, it is expected that the latter may make investments in transactions sourced from various Morgan Stanley business units, including in particular, but without limitation, the Institutional Securities Group (which includes Investment Banking, Sales & Trading, and Global Capital Markets) ("**ISG**"). As a result, the Sub-Fund may be indirectly exposed to transactions in which Morgan Stanley acts as underwriter, placement agent, syndicator, broker, administrative agent, servicer, advisor, arranger, or structuring agent and receives fees or other compensation from the sponsors of such products or securities.

Conflicts with Investments. Officers and employees of the Investment Manager or Morgan Stanley may serve as directors of certain underlying entities in which Investments are made and, in that capacity, will be required to make decisions that they consider to be in the best interest of the underlying entity. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the underlying entity, actions that may be in the best interests of the underlying entity may not be in the best interests of the Sub-Fund, and vice versa. In addition, the possibility exists that the companies with which one or more members of the investment team or other employees of Morgan Stanley are involved could engage in transactions that would be suitable for the Sub-Fund, but in which the Sub-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 Investment Manager or Morgan Stanley and such person's duties as a director of the underlying entity.

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in an entity that is a competitor of an Investment or that is a service provider, supplier, customer, or other counterparty with respect to an Investment. In providing advice and recommendations to, or with respect to, such Investments, and in dealing in their securities on behalf of itself or such Affiliated Investment Accounts, to the extent permitted by law, Morgan Stanley will not take into consideration the best interests of the Sub-Fund, its Investments and/or underlying entities in which Investments are made. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Sub-Fund, its Investments and/or underlying entities in which Investments are made. Conflicts of interest may also arise with respect to the allocation of Morgan Stanley's time and resources between such Investments. In addition, in providing services to such Investments, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Sub-Fund) or disclosing, even though such action or disclosure would be in the best interests of the Sub-Fund. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to Investments to provide services to competing entities invested in by Morgan Stanley or Affiliated Investment Accounts, which may have adverse consequences for the Sub-Fund. See also "—Non-Public Information" above.

Transactions with Investments of Affiliated Investment Accounts. Underlying entities in which investments are made may be counterparties to or participants in agreements, transactions or other arrangements with underlying entities or other underlying entities of Affiliated Investment Accounts (for example, an Investment may retain a company in which an Affiliated Investment Account invests to provide services or may acquire an asset from such company or vice versa). Certain of these agreements, transactions and arrangements involve fees, servicing payments, rebates and/or other benefits to Morgan Stanley or its Affiliates. For example, Investments may, including at the encouragement of Morgan Stanley, enter into agreements regarding group procurement and/or vendor discounts. Morgan Stanley and its Affiliates may also participate in these agreements and may realise better pricing or discounts as a result of the participation of Investments. Certain of these agreements may provide for

commissions or similar payments and/or discounts or rebates to be paid to a portfolio entity of an Affiliated Investment Account, and such payments or discounts or rebates may also be made directly to Morgan Stanley or its Affiliates. Under these arrangements, a particular Investment or other entity may benefit to a greater degree than the other participants, and the Morgan Stanley funds, investment vehicles and accounts (which may or may not include the Sub-Fund) that own an interest in such entity will receive a greater relative benefit from the arrangements than the Morgan Stanley funds, investment vehicles or accounts that do not own an interest therein. Fees and compensation received by underlying entities of Affiliated Investment Accounts in relation to the foregoing will not be shared with the Sub-Fund or offset against Management Fees or Incentive Fee distributions payable by the Sub-Fund.

Diverse Membership; Relationships with Shareholders. The Shareholders of the Sub-Fund are expected to include persons or entities, which may have conflicting investment, tax, and other interests in respect of their investments in the Sub-Fund. The conflicting interests of individual partners may relate to or arise from, among other things, the nature of Investments made by the Sub-Fund, the structuring of the acquisition of Investments, the purchase by the Sub-Fund of assets from an Investment where certain Shareholders did not participate in such Investment, and the timing of disposition of investments. Such structuring of Investments and other factors may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager, including in respect of the nature or structuring of investments, that may be more beneficial for one Shareholder than for another Shareholder, especially in respect of Shareholders' individual tax situations. In addition, the Sub-Fund may make investments that may have an adverse impact on related investments made by the Shareholders in other transactions. In selecting and structuring investments appropriate for the Sub-Fund, the Board of Directors will consider the investment and tax objectives of the Sub-Fund and its Shareholders as a whole, instead of the investment, tax, or other objectives of a single Shareholder. Certain Shareholders may be significant or long-standing clients of Morgan Stanley's investment management or securities businesses. Morgan Stanley will consider these relationships in its dealings with the Sub-Fund.

Syndication. The Sub-Fund may, on a recurring or ad hoc basis, consummate an Investment with the expectation that a portion of the interests therein (which may be substantial relative to the portion of the applicable Investment that the Sub-Fund will ultimately hold) will later be re-allocated to co-investors or sold (or "syndicated") to third-party investors (which may include Affiliated Investment Accounts) (within a reasonable period of time after consummating such co-investment, and generally at a price equal to the sum of (i) the Sub-Fund's acquisition cost for the transferred portion of such co-investment, including any allocable expenses relating thereto (based on the amount syndicated relative to the amount retained by the Sub-Fund) and (ii) interest on such amount from the closing date of such co-investment by the Sub-Fund through the transfer date to such certain participating persons at a rate at least equal to the Sub-Fund's cost of funds, for the period of time during which such transferred portion was funded by borrowing by the Sub-Fund).

To the extent the Sub-Fund enters into an Investment or any portion thereof intended as a co-investment, there can be no assurance that the Investment Manager will be successful in reallocating or syndicating such co-investment, in whole or in part; that the reallocation or syndication of a co-investment will be consummated in a timely manner; that the reallocation or syndication will take place on terms and conditions that are favourable to the Sub-Fund; that the Sub-Fund will seek or receive as part of the re-allocation or sale consideration interest on the amount of the initial acquisition cost of the reallocated or syndicated investment; that the Sub-Fund will obtain or retain the benefit of any income received or accrued on such

Investment during the period of its ownership of the co-investment portion; that the Sub-Fund will generate a positive net return on such investment from the co-investment or syndication participants; that the consideration received by the Sub-Fund in respect of the reallocation or syndication of such Investment will reflect the value of any such Investment as of the date of the reallocation or syndication; that expenses incurred by the Sub-Fund (including any borrowing costs and out-of-pocket expenses) with respect to such co-investment or syndication will ultimately be borne by or shared by co-investment or syndication participants; or that expenses incurred by the Sub-Fund with respect to such co-investment or syndication will not be substantial. There may be situations where the Sub-Fund may not be able to require co-investors to pay all or their share of the expenses incurred by the Sub-Fund with respect to such co-investment or syndication. Factors outside the Sub-Fund's control will impact when certain investments are able to be re-allocated or syndicated, which may affect the purchase price, the amount of interest/proceeds and/or carrying cost (if any) that will accrue to, and be paid to, the Sub-Fund upon such syndication or reallocation. Certain debt arrangements have restrictions on assignments and participations which may negatively impact the Sub-Fund's ability to exit from all or part of its investment or co-investment, or influence the structure and other arrangements relating to such exit or syndication. In the event that the Investment Manager is not successful in reallocating or syndicating an Investment or any portion thereof intended as a co-investment, in whole or in part, the Sub-Fund may consequently hold a greater concentration in and have a higher exposure to the relevant Investment (and the underlying borrower or Investment) than was initially intended. An Investment by the Sub-Fund which is not re-allocated or syndicated to co-investors or third parties as originally anticipated could significantly reduce the Sub-Fund's overall investment returns as a result of such increased concentration risk. Although co-investment or syndication participants may ultimately share in the risks and benefits of any hedging and financing transactions and other expenses and liabilities that occur prior to the re-allocation or syndication of an Investment, the Sub-Fund is directly exposed to these risks, as well as investment-related risks, prior to completing the re-allocation or syndication of an Investment.

The Sub-Fund may dispose of Investments (including in connection with the syndication of co-investments as described herein) by transferring the legal and/or beneficial title to the underlying Investment (for example, by way of assignment or transfer) or by retaining the legal and/or beneficial title to the underlying Investment and transferring only the risk or an economic interest associated with an Investment (for example, by way of sub-participation, hedging arrangement or other back-to-back contractual arrangement). In relation to sub-participations or similar arrangements, co-investors may not pay any fees to the Sub-Fund for the benefit of such arrangements. The Sub-Fund, as grantor, may also be subject to counterparty credit risk in respect of sub-participants or other counterparties in connection with such arrangements where such counterparties fail to settle at the required time, whether due to system failure, insolvency or otherwise, the amounts required to be funded by them in order for the Sub-Fund to meet its obligations under the relevant Investment, which could significantly reduce the Sub-Fund's overall investment returns.

Potential conflicts of interest may arise in dealing with any investors to whom the Sub-Fund has syndicated certain Investments, and the Investment Manager and its Affiliates may not be motivated to act solely in accordance with its functions and interests relating to the Sub-Fund. In addition, certain investors may have more information about the Sub-Fund or any particular Investment than other investors, and the Board of Directors will have no duty to ensure all investors seek, obtain or process the same information regarding the Sub-Fund and its Investments and/or portfolio entities. See also "Risk Factors and Potential Conflicts of Interest—Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses".

Management Fees generally will not be rebated with respect to the syndicated portion of the Investments from the date of initial acquisition through the closing of the syndication (though Management Fees will not be charged on such syndicated portion following the completion of such syndication).

Management of the Sub-Fund. The members of the investment team will devote such time as the Investment Manager, in its sole discretion, deems necessary to carry out the operations of the Sub-Fund effectively. The members of the investment team and/or the investment committee may also work on projects for Morgan Stanley (including the Affiliated Investment Accounts), and conflicts of interest may arise in allocating management time, investment resources, services, or functions among such Affiliates. In particular, investors should be aware that most of the members of the Sub-Fund's investment committee have significant other responsibilities to Affiliates of the Investment Manager, will continue to be active in Affiliated Investment Accounts independent from the Sub-Fund currently in existence and may also be involved in Affiliated Investment Accounts independent from the Sub-Fund formed in the future. The agreements and arrangements among Morgan Stanley, the Sub-Fund, and the members of the investment team and/or the investment committee have been and will be established by Morgan Stanley and may not be the result of arm's-length negotiations. Certain members of the investment team and/or the investment committee are not expected to be involved in every aspect of the Sub-Fund, including in evaluating and reviewing certain types of investments made by the Sub-Fund. Morgan Stanley (including the Investment Manager, members of the investment team and members of the investment committee) is not precluded from conducting activities unrelated to the Sub-Fund.

The members of the investment team and/or the investment committee may also serve as members of the boards of directors of various companies other than Investments. The possibility exists that such companies could engage in transactions which would be suitable for the Sub-Fund, but in which the Sub-Fund might be unable to invest. The members of the investment team and/or the investment committee may also enter into strategic alliances or form Affiliated Investment Accounts in the future that are independent of the Sub-Fund. Conflicts may arise as a result of such other activities.

The Investment Committee. The investment committee has principal responsibility for approving new investments and oversight over portfolio construction and management of existing investments. The investment committee is expected to be comprised of senior members of the investment team and other Morgan Stanley investment professionals and executives. There is no assurance that all members of the investment committee will be present at every meeting of the investment committee, or otherwise involved in all decisions of the investment committee. Most of the members of the investment committee will be involved in business activities of Morgan Stanley other than activities with respect to the Sub-Fund. Conflicts of interest may arise between Morgan Stanley or its clients on one hand, and the Sub-Fund on the other hand, including without limitation for the reasons set out in this section (*Risk Factors and Potential Conflicts of Interest*). Members of the investment committee may be affected by such conflicts of interest as a result of their other activities for Morgan Stanley. One or more members of the investment committee may recuse themselves from attendance at one or more meetings of the investment committee or from participation in certain of its activities, with a view to mitigating actual or potential conflicts of interest, even where such individual has relevant knowledge or experience with respect to the matters under consideration that would have assisted the investment committee in making its decisions. Also, a member of the investment committee may be precluded from attending, or may decide not to attend, meetings of the investment committee as a result of regulatory or other requirements affecting such individual. To the extent that one or more members of the investment committee

does not participate in the meetings or activities of the investment committee for any reason, this may result in the investment committee making different decisions to those that it would have made had such member(s) participated (including, without limitation, investment decisions), which may have adverse consequences for the Sub-Fund. Conversely, a member of the investment committee may, to the extent permitted by Morgan Stanley's internal policies and applicable law, attend and participate in meetings of the investment committee notwithstanding that such individual is affected by conflicts of interest as contemplated in this paragraph. In such a case, the investment committee may reach different conclusions with respect to matters affecting the Sub-Fund (including without limitation investment decisions) than it would have reached had such member either not been affected by such conflict of interest or had recused himself or herself from participating in such decision, which may have adverse consequences for the Sub-Fund. Furthermore, the Investment Manager may change the composition of the investment committee from time to time. There can be no assurance that any replacement members of the investment committee will be of comparable experience and seniority to current members of the investment committee.

Investments in Investments of Other Funds. When the Sub-Fund invests in certain companies or other entities, other funds affiliated with the Investment Manager may have made or may be making an investment in such companies or other entities. Other funds that have been or may be managed by the Investment Manager may invest in the companies or other entities in which the Sub-Fund has made an investment. Under such circumstances, the Sub-Fund and such other funds may have conflicts of interest (e.g., over the terms, exit strategies and related matters, including the exercise of remedies of their respective investments). If the interests held by the Sub-Fund are different from (or take priority over) those held by such other funds, the Investment Manager may be required to make a selection at the time of conflicts between the interests held by such other funds and the interests held by the Sub-Fund.

Credit Standing of the Sub-Fund. The Sub-Fund will be required to establish business relationships with its counterparties based on the Sub-Fund's own credit standing. Morgan Stanley will not have any obligation to allow its creditworthiness to be used in connection with the Sub-Fund's establishment of its business relationships, nor is it expected that the Sub-Fund's counterparties will rely on the creditworthiness of Morgan Stanley in evaluating the Sub-Fund's creditworthiness.

Client Relationships. Morgan Stanley and its Affiliates have existing and potential relationships with a significant number of sponsors and managers of underlying funds, underlying entities, corporations and institutions. In providing services to its clients and the Sub-Fund, Morgan Stanley may face conflicts of interest with respect to activities recommended to, or performed for, such clients, on the one hand, and the Sub-Fund, the Shareholders, the underlying funds and/or the Investments, on the other hand. Morgan Stanley may also face conflicts of interest in connection with any purchase or sale transactions involving an investment by the Sub-Fund, whether to or from a Morgan Stanley client, and in connection with the consideration offered by, and obligations of, such Morgan Stanley client in such transactions. In such cases, Morgan Stanley will owe fiduciary duties to the Morgan Stanley client that may make Morgan Stanley's interest adverse to that of the Sub-Fund. In addition, these client relationships may present conflicts of interest in determining whether to offer certain investment opportunities to the Sub-Fund.

In acting as principal or in providing advisory and other services to its other clients, Morgan Stanley may engage in or recommend activities with respect to a particular matter that conflict with or are different from activities engaged in or recommended by the Investment Manager

on behalf of the Sub-Fund. In addition, the terms under which the Investment Manager and its Affiliates provide management and other services to other clients may differ significantly from those applicable to the Sub-Fund. In particular, arrangements with certain other clients might provide for the Investment Manager and its Affiliates to receive fees and/or incentive distributions that are higher than the fees payable by the Sub-Fund.

Joint Venture Partners. Some of the third parties and joint venture partners with which the Sub-Fund may co-invest in Investments may have pre-existing investments with Morgan Stanley. The terms of these pre-existing investments may differ from the terms upon which the Sub-Fund invests with such third parties and joint venture partners. To the extent a dispute arises between Morgan Stanley and such third parties and partners, the Sub-Fund's investments relating thereto may be affected.

Advisors and Other Service Providers. Services required by the Sub-Fund (including some services historically provided by the Investment Manager or its Affiliates to the Sub-Fund) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Investment Manager or its Affiliates. This can create a conflict of interest because the Investment Manager and its Affiliates have an incentive to outsource such services at the expense of the Sub-Fund to, among other things, leverage the use of personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for the Sub-Fund and Affiliated Investment Accounts, and accordingly, certain costs may be incurred by the Sub-Fund for a third-party service provider that is not incurred for comparable services by Affiliated Investment Accounts. The decision by the Investment Manager to initially perform a service for the Sub-Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future, and the Investment Manager has no obligation to inform the Sub-Fund or investors of such a change. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties.

Certain advisors and other service providers to the Sub-Fund (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), and/or their Affiliates, may also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the Investment Manager or their Affiliates. Such advisors and other service providers may be investors in the Sub-Fund, Affiliates of the Investment Manager, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence the Investment Manager in deciding whether to select or recommend such a service provider to perform services for the Sub-Fund (the cost of which generally will be borne by the Sub-Fund and, indirectly, the Investors).

The Investment Manager generally may in its discretion, contract directly with, or recommend to the Sub-Fund or to an underlying entity in which investments are made (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of the Investment Manager or an Affiliate (including but not limited to an underlying entity). When making such a recommendation, the Investment Manager, because of its financial or other business interest, has an incentive to recommend the related or other Person

even if another Person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, Investment Manager personnel, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence the Investment Manager in determining whether to select, or recommend such service providers to perform services for the Sub-Fund or an underlying entity. Although the Investment Manager selects service providers that it believes will enhance underlying entities' performance (and, in turn, the performance of the Sub-Fund), there is a possibility that the Investment Manager, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to the Investment Manager, the Sub-Fund and/or the underlying entities, or Affiliates of such service providers, may also provide goods or services to or have business, personal, financial or other relationships with the Adviser, its Affiliates, or their respective underlying entities. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which the Adviser and/or the Sub-Fund have an investment, and payments by the Sub-Fund and/or such underlying entities may indirectly benefit the Investment Manager and/or the Sub-Fund.

The Sub-Fund may, from time to time in the future pay a fee to an investment bank with respect to a particular transaction which fee may, in whole or in part reflect a payment to the investment bank for finding deals for the Investment Manager, the Sub-Fund and/or Affiliated Investment Accounts in the future. As a result, the Sub-Fund may not receive the benefit of the future deals sourced by the investment bank, and the Affiliated Investment Account to which a deal is allocated will not be required to reimburse the Sub-Fund for such fee.

Investors have in the past or may from time to time in the future be introduced to the Investment Manager, or may be brought in the Sub-Fund, by a third-party consultant from which the Investment Manager or a related person purchases products and to which the Investment Manager or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Investment Manager or its Affiliates engage certain service providers (including law firms) on behalf of the Sub-Fund and personnel of such service providers have in the past and may in the future be seconded to the Investment Manager or its Affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. The Investment Manager is, from time to time, a beneficiary of these arrangements as well. Such personnel provide under certain circumstances services in respect of multiple matters, including in respect of matters related to the Investment Manager, its Affiliates and/or underlying entities, and in any such circumstance the benefits or costs of any such personnel will be allocated in the Investment Manager's discretion taking into consideration the usage of such personnel. The Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because the Investment Manager or its Affiliates have an incentive to select one service provider over another on the basis that the Investment Manager or its Affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Investment Manager or its Affiliates.

The Investment Manager and the Sub-Fund will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Sub-Fund may also represent one or more underlying entities or investors in the Sub-Fund. In the event of a significant dispute or divergence of interest between the Sub-Fund, the Affiliated Investment Accounts, the Investment Manager and/or its Affiliates, the parties may engage separate counsel in the sole discretion of the Investment Manager and its Affiliates, and in litigation and other circumstances separate representation may be required.

Notwithstanding the foregoing, investment transactions for the Sub-Fund that require the use of a service provider generally will be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the Investment Manager believes to be of benefit to the Sub-Fund.

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 Investment Manager or their Affiliates as compared to services provided to the Sub-Fund, which may result in more favorable rates or arrangements than those payable by the Sub-Fund. This creates a conflict of interest between Morgan Stanley, the Investment Manager or their Affiliates as compared to the Sub-Fund in determining whether to engage such service providers, including the possibility that the Investment Manager will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service providers by the Sub-Fund and/or the underlying entities in which investments are made. Neither the Sub-Fund nor investors in the Sub-Fund will receive the benefit of any such favorable rate or discount provided to Morgan Stanley, the Investment Manager, its personnel or its Affiliates, and the Management Fee paid by the Sub-Fund will not be reduced in connection with such favorable rate or discount. In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Investment Manager or its Affiliates differ from those required by the Sub-Fund and/or its underlying entities, the Investment Manager and its Affiliates will pay different rates and fees than those paid by the Sub-Fund and/or its underlying entities.

Legal Counsel of the Sub-Fund. Arendt & Medernach SA (acting exclusively with respect to Luxembourg law matters), Walkers Ireland LLP (acting exclusively with respect to Irish law matters) and other counsel (collectively, "**Counsel**") will act as counsel to the Sub-Fund, the Board of Directors, the AIFM and the relevant Investment Manager(s), as the case may be, in connection with the offering of Shares and other ongoing activities. Counsel may represent Morgan Stanley, the Board of Directors, the AIFM, the relevant Investment Manager(s) and their respective Affiliates from time to time in a variety of different matters. In connection with this offering of Shares and ongoing advice to the Sub-Fund, the Board of Directors, the AIFM and the relevant Investment Manager(s), Counsel will not be representing any investor absent an express agreement to the contrary with such investor. Separate counsel has not been, and it is not anticipated that separate counsel will be, engaged to act on behalf of the Shareholders. Representation by Counsel of the Sub-Fund, the Board of Directors, the AIFM, the relevant Investment Manager(s) and their Affiliates may be limited to specific matters as to which they have been instructed to advise on by such persons. There may exist other matters which could

have a bearing on the Sub-Fund, the Board of Directors, the AIFM, the relevant Investment Manager(s) and/or their Affiliates as to which Counsel have not been consulted or advised of. In the event a conflict of interest or dispute arises between any Morgan Stanley entity and the Sub-Fund or any Investor, the applicable Counsel will act as counsel to such Morgan Stanley entity and not counsel to the Sub-Fund as a whole or such individual investor(s), notwithstanding the fact that, in certain cases, such Counsel's fees are paid through or by the Sub-Fund (and therefore in effect by the investors). Counsel may be removed without the consent of, or notice to, the investors. In addition, Counsel does not (collectively or individually) undertake to monitor the compliance of the Sub-Fund, the Board of Directors, the AIFM, the relevant Investment Manager(s) and their Affiliates with the investment strategies, investment programs, valuation procedures, investment restrictions and other guidelines and terms set forth in this Prospectus and any relevant Supplement and the Articles of Association, nor does Counsel (collectively or individually) monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of information set forth in this Prospectus and any relevant Supplement, including information concerning the Sub-Fund, Board of Directors, the relevant Investment Manager, the AIFM, Morgan Stanley and their Affiliates and personnel. Counsel may also act as counsel to underlying entities in which investments are made by the Sub-Fund, equity sponsors of such underlying entities, other creditors of such underlying entities, or an agent therefor, a party seeking to acquire some or all of the assets or equity of such underlying entities, or a person engaged in litigation with such underlying entities. Prospective investors should seek their own legal, tax, and financial advice before making an investment in the Sub-Fund.

In the course of advising the Board of Directors, there are times when the interests of the Shareholders may differ from those of the Board of Directors and the relevant Sub-Fund(s). Counsel does not represent the Shareholders' interests in resolving these issues.

In reviewing this Prospectus and the relevant Supplement, Counsel has relied upon information furnished to it by the Board of Directors and has not investigated or verified the accuracy or completeness of the information set forth in this Prospectus and the relevant Sub-Fund, including information concerning the relevant Sub-Fund(s), the Board of Directors, the relevant Investment Manager and their Affiliates, and personnel.

Other present and future activities of Morgan Stanley may give rise to additional conflicts of interest.

THE FOREGOING LIST OF RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS AND POTENTIAL CONFLICTS INVOLVED IN THIS OFFERING. BEFORE MAKING A DECISION TO INVEST, POTENTIAL INVESTORS SHOULD READ THEIR SUBSCRIPTION AGREEMENT AND THIS SUPPLEMENT IN THEIR ENTIRETY, AND CONSULT THEIR OWN LEGAL, FINANCIAL AND TAX ADVISERS.EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THESE POTENTIAL CONFLICTS OF INTEREST. BY SUBSCRIBING FOR SHARE CLASSES IN THE SUB-FUND, EACH INVESTOR WILL BE DEEMED TO HAVE ACKNOWLEDGED THE EXISTENCE OF EACH SUCH ACTUAL, APPARENT AND POTENTIAL CONFLICT OF INTEREST, TO HAVE CONSENTED THERETO, TO HAVE WAIVED ANY CLAIM IN RESPECT OF THE EXISTENCE OF SUCH CONFLICT OF INTEREST AND TO HAVE ACKNOWLEDGED THAT ANY SUCH CONFLICTS OF INTEREST WILL BE RESOLVED BY MORGAN STANLEY IN ITS DISCRETION WITHOUT ANY GUARANTEE THAT ANY SITUATION INVOLVING A CONFLICT WILL BE RESOLVED IN FAVOUR OF THE FUND. OTHER PRESENT AND

FUTURE ACTIVITIES OF MORGAN STANLEY MAY GIVE RISE TO ADDITIONAL CONFLICTS OF INTEREST.

ANNEX III
AIFMD DISCLOSURE STATEMENT

The AIFM has made available to Shareholders the relevant information in respect of the Sub-Fund as set out by Article 23 of Directive 2011/61/EU (the "**AIFMD**") and the EU Regulation 2015/2365 on transparency of securities financing transactions (the "**SFTR**") as follows (the "**AIFMD Disclosure Statement**"). This AIFMD Disclosure Statement also includes disclosures required pursuant to Regulation (EU) (2019/2088) on sustainability related disclosures in the financial services sector ("**SFDR**"). This AIFMD Disclosure Statement should be read together with the Prospectus and Annex IV (Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852) therein, as the context requires, and any capitalised terms not otherwise defined within this AIFMD Disclosure Statement shall adopt the meanings given to them elsewhere in this Supplement, including in the Prospectus.

AIFMD reference	**Information to be disclosed**	**Where disclosed to Shareholders**
Art 23(1)(a)	Description of the investment strategy and objectives of the AIF.	Please refer to section (*Investment Objectives and Investment Strategy*) of this Supplement.
Art 23(1)(a)	Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds.	The Sub-Fund is not a feeder fund or a fund of funds.
Art 23(1)(a)	Description of the types of assets in which the AIF may invest.	Please refer to sections (*Investment Objectives and Investment Strategy*), and (*Investment Limitations*) of this Supplement.
Art 23(1)(a)	Description of the techniques the AIF may employ and all associated risks.	Please refer to sections (*Investment Objectives and Investment Strategy*) and (*Derivatives and Securities Financing Transactions*) of this Supplement, Annex II (*Risk Factors and Potential Conflicts of Interest*) and section 16 (*Certain Risk Considerations*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(a)	Description of any applicable investment restrictions.	Please refer to section (*Investment Limitations*) of this Supplement.
Art 23(1)(a)	Description of the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements.	Please refer to the section entitled (*Borrowing*) of this Supplement and (Borrowing Policies) of the Prospectus. Please also refer to the section of this Supplement entitled (*AIFMD Leverage*) and the section of the Prospectus entitled (Leverage). Please refer to Annex II (*Risk Factors and Potential Conflicts of Interests*) to this Supplement. Please also refer to the section of the Prospectus entitled (Risk related to the Fund, its structure and operations) sub-paragraph (Leverage and credit facilities) for details of associated risks. Pursuant to the terms of the FOP & Custody Agreement (as defined below), the reuse of assets of the Sub-Fund may be authorised in accordance with Article 29(5) of the ELTIF Regulation.
Art 23(1)(a)	Description of the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Please also refer to the section of this Supplement entitled (*AIFMD Leverage*) and the section of the Prospectus entitled (Leverage).
	Information required to be disclosed pursuant to the SFTR	The Sub-Fund will neither use securities financing transactions as defined in Article 3 (11) of SFTR nor total return swaps as defined in Article 3 (18) of SFTR. Please also refer to section (*Investment Limitations*) of this Supplement. Please refer to section (*Derivatives and securities financing transactions*) of this Supplement.
Art 23(1)(b)	Description of the procedures by which the AIF may change its	Please refer to section 13 (*Amendments*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
	investment strategy or investment policy, or both.	
Art 23(1)(c)	Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Please refer to sections 12 (*General Information*) and 12.3 (*Investor Rights*) of the Prospectus.
Art 23(1)(d)	Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the Shareholders' rights.	**AIFM**: MSIM Fund Management (Ireland) Limited 24-26 City Quay Dublin D02 NY19 Ireland **Investment Manager**: Morgan Stanley Investment Management Limited 25 Cabot Square, Canary Wharf London E14 4QA, United Kingdom **Sub-Investment Manager** Morgan Stanley Investment Management Inc c/o The Corporation Trust Company, Corporation Trust Center 1209 Orange Street Wilmington DE 19801 US **Depositary:**

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		The Bank of New York Mellon SA/NV Luxembourg Branch Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand-Duchy of Luxembourg **Administrator, Registrar and Transfer Agent** The Bank of New York Mellon SA/NV Luxembourg Branch Vertigo Building - Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg Grand-Duchy of Luxembourg **Auditor:** Deloitte Audit S.à r.l. 20, Boulevard de Kockelscheuer L - 1821 Luxembourg Grand Duchy of Luxembourg **Legal Counsel to the Fund** Arendt & Medernach S.A. 41A, Avenue JF Kennedy L-2082 Luxembourg **Legal Counsel to the AIFM (as to matters of Irish law)** Walkers (Ireland) LLP The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland The AIFM will perform the risk management function and oversight of the portfolio management function for the Sub-Fund. The AIFM is acting as Global Distributor for the Sub-Fund and may from time to time in its sole discretion appoint one or more Sub-Distributors. The AIFM is the alternative investment fund manager for the purposes of the AIFMD. The AIFM has established and maintains a risk management function in-house, which ensures compliance with

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		the requirements of AIFMD. The AIFM is ultimately responsible for its risk management framework, which encompasses a culture of risk management principles and practices that support risk identification, measurement, monitoring, escalation and decision making. The AIFM's permanent and independent in-house risk management function is represented by the Chief Risk Officer. The Investment Manager and the Sub-Investment Manager will have full discretion and be responsible for making portfolio management decisions in respect of the Investments for the Sub-Fund, including conducting due diligence, analysing, structuring, and negotiating potential investments, monitoring the performance of investments, incurring leverage and other indebtedness and making all investment and disposition decisions for the Sub-Fund, as well as providing certain administrative services to the Sub-Fund, subject to the supervision of the AIFM. The Depositary will be responsible for the functions contemplated by Article 21 of the AIFMD. Certain custody assets of the Sub-Fund (such as shares tradable on a liquid market and settled in a central securities depositary) may be entrusted to the Depositary for safekeeping in accordance with the AIFMD. The Depositary may delegate custody of such assets to one or more sub-custodians. Other assets of the Sub-Fund may be held by a separate custodian. The Depositary will exercise oversight over the custody of such other assets in accordance with Article 21(8)(b) of the AIFMD. The liability of the Depositary under the Depositary Agreement shall be subject to Articles 29(2) to (4) of the ELTIF Regulation in respect of Sub-Fund, where it qualifies as an ELTIF. The Bank of New York Mellon SA/NV Dublin Branch will be appointed by the Fund to provide fund order processing and custody services pursuant to the terms of a fund order processing and custody agreement (the "FOP & Custody Agreement").

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		The Auditor will audit the financial statements of the Sub-Fund on an annual basis and deliver an audit opinion to the Sub-Fund in respect thereof. The Administrator will carry out all central administrative duties related to the central administration of the Sub-Fund, including calculation of the Net Asset Value. The Administrator is responsible for handling the processing of subscriptions for the Shares of the Sub-Funds, dealing with requests for redemption, accepting transfers of funds, safekeeping the Share Register and mailing documents to Shareholders. Legal counsel will provide the Fund and/or the AIFM with advice in respect of negotiating the terms of the Sub-Fund and will draft legal documentation in respect of the Sub-Fund. Investors' rights against the Sub-Fund are provided for in the Articles of Association and are governed under the applicable laws of the Grand Duchy of Luxembourg. Investors do not have any direct rights against the Investment Manager, the Sub-Investment Manager, the Administrator (or any other delegates appointed by the AIFM) or the Auditor. In the event that the actions or omissions of any service provider to the Sub-Fund were to result in an adverse impact on an Investor in the Sub-Fund, this may give rise to contractual rights for the Sub-Fund; however, any such rights would need to be exercised by, or for, the Sub-Fund on behalf of Investors as a whole. Investors in the Sub-Fund may have direct rights against the Depositary and the AIFM in certain circumstances for breach of statutory duty founded on the AIFMD and its implementing measures. Complaints against the AIFM may be addressed to the compliance officer at the AIFM. The AIFM is authorised and regulated by the Central Bank of Ireland at the following address: New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(e)	Description of how the AIFM is complying with the requirements of Article 9(7) of the AIFMD.	The AIFM covers its potential professional risks resulting from its activities as an AIFM by holding additional funds in its own account which are appropriate to cover potential liability risks arising from professional negligence.
Art 23(1)(f)	Description of any delegated management functions as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, identity of the delegate and description of related conflicts of interest that may arise from such delegations.	Morgan Stanley Investment Management Ltd will be appointed by the AIFM as delegated portfolio manager with respect to all Investments and, subject to permitted sub-delegation of its management functions with respect to specific investment as further described below, will perform the day-to-day portfolio management of the portion of the Sub-Fund's investment portfolio comprising the Private Investments and Public Investments. The Investment Manager has sub-delegated the management of the portion of the Sub-Fund's investment portfolio comprising the Private Equity Investments and the Private Real Assets Investments to Morgan Stanley Investment Management Inc. Notwithstanding such sub-delegation, the Investment Manager may also exercise certain of its portfolio management functions and powers with respect to the Private Equity Investments and Private Real Assets Investments. Further information is set out in section (*Investment Manager and Sub-Investment Manager*) of this Supplement. The AIFM may decide to delegate portfolio management functions in relation to the Sub-Fund alongside or replacing the Investment Manager and/or Sub-Investment Manager to one or more entities of the Morgan Stanley group. The Depositary may delegate the performance of its safekeeping functions, subject to certain conditions. However, the liability of the Depositary will not be affected by the fact that it has entrusted the safekeeping function to a third party. As part of the normal course of its business, the Depositary or the safekeeping delegate may from time to time have entered into arrangements with

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		other clients, funds or other third parties for the provision of safekeeping and related services. In relation to conflicts of interest, please refer to Annex II (*Risk Factors and Potential Conflicts of Interests*) to this Supplement and section 5.2 (*AIFM*), 5.6 (*Depositary*) and 14 (*Conflicts of Interest*) of the Prospectus.
Art 23(1)(g)	Description of the AIF's valuation procedure and the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19 of the AIFMD.	Please refer to section (*Valuation Methodology*) of this Supplement and section 7 (*Valuation and Net Asset Calculation*) of the Prospectus.
Art 23(1)(h)	Description of the AIF's liquidity risk management, including redemption rights of Shareholders, both in normal circumstances and exceptional circumstances and a description of the existing redemption arrangements with Shareholders.	Please refer to section (*Redemptions and Liquidity*) of this Supplement and sections 6 (*Shares*) of the Prospectus:
Art 23(1)(i)	Description of all fees, charges and expenses and of the maximum amounts thereof which	Please refer to sections (*Global Distributor; Sub-Distributors*, (*Costs of setting up the Sub-Fund*), (*Management and performance related fees*), (*Distribution Costs*), (*Other Costs*), (*Investment*

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
	are directly or indirectly borne by Shareholders.	*Expense Allocation*) of this Supplement and section 9 (*Fees and Expenses*) of the Prospectus. Unless otherwise disclosed in the Prospectus or Supplement, there is no maximum amount of fees, charges or expenses which may be borne directly or indirectly by Investors.
Art 23(1)(j)	Description of how the AIFM ensures a fair treatment of Shareholders and a description of any preferential treatment or the right to obtain preferential treatment obtained by any Shareholder, a description of that preferential treatment, the type of Shareholders who obtain such preferential treatment and, where, relevant, their legal or economic links with the AIF or AIFM.	Please refer to section 12.4(*Preferential Treatment*) of the Prospectus.
Art 23(1)(k)	Latest annual report referred to in Article 22 of the AIFMD.	No Annual Report is yet available in respect of the Sub-Fund. The first such report will be made available in accordance with section (*Reporting*) of this Supplement and sections 1212.1(*Reports and financial statements*) and 12.5 (*Documents and Information Available*) of the Prospectus and made available to prospective investors upon request.
Art 23(1)(l)	Procedure and conditions for the issue and sale of shares.	Please refer to sections (*Shares*), (*Share Classes*) (*First Closing and Subscriptions*) of this Supplement and section 6 (*Shares*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
Art 23(1)(m)	Latest net asset value of the AIF or the latest market price of the interests of the AIF, in accordance with Article 19 of the AIFMD.	This information will be included in the latest Annual Report and made available to Shareholders upon request to the AIFM.
Art 23(1)(n)	Historical performance of the AIF, where available	This information will be provided to Investors in the annual and other regular reports when available.
Art 23(1)(o)	Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse AIF assets.	N/A
Art 23(1)(o)	Information about any transfer of liability to the prime broker that may exist.	N/A
Art 23(1)(p)	Description of how and when the information required to be periodically	Please refer to section 12.5 (*Documents and information available*) of the Prospectus.

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
	disclosed under Article 23(4) and Article 23(5) of the AIFMD will be disclosed to Shareholders.	

ANNEX IV

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852)

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance

Product name: Morgan Stanley Private Markets ELTIF ("**PME**" or the "**Sub-Fund**")

Legal entity identifier: 254900PBF0D2SERYKU46

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
●●☐**Yes**	●○☒**No**
☐It will make a minimum of **sustainable investments with an environmental objective: __%** ☐in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐**1.1b** in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __ % of sustainable investments ☐with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐with a social objective
☐It will make a minimum of **sustainable investments with a social objective**: __%	☒It promotes E/S characteristics, **but will not make any sustainable investments**

The **EU Taxonomy is** a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.**

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund will invest in the following asset classes: Private Equity, Private Real Assets (including real estate and infrastructure assets), Private Credit, and Eligible Liquid Assets (comprising in particular of Public Credit and cash, cash equivalents and other Eligible Liquid Assets subject to restrictions set out in the ELTIF Regulation). With the exception of Eligible Liquid Assets (other than Public Credit Investments), the Sub-Fund will seek to promote the following environmental and social characteristics, in respect of these asset classes:

Private Equity and Private Real Assets - PME Scorecard: The Sub-Fund promotes environmental and social characteristics by seeking to make investments in Private Equity and Private Real Assets that the Investment Manager considers perform well against certain environmental, social and governance criteria in accordance with the Investment Manager's proprietary scoring methodology (the "**PME Scorecard**"). All Private Equity and Private Real Asset investments will be assessed against the PME Scorecard, and the Investment Manager will aim to have at least 50% of such Private Equity and Private Real Asset investments meet the relevant ESG Threshold (as defined below). The PME Scorecard characteristic will not apply to other investments in the Sub-Fund.

Private Credit - EPIF: The Private Credit portion of the portfolio is expected to be wholly invested in EPIF, which makes private credit investments that are assessed against certain environmental, social and governance criteria in accordance with the EPIF investment manager's proprietary scoring methodology (the "**EPIF Scorecard**"). Certain ESG exclusions are also applied to EPIF's investments, as described further below in "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*". In due course, the Private Credit portion of the portfolio may be expanded to cover other private credit investments, that may be subject to different environmental or social characteristics.

Public Credit - Calvert Principles: The Sub-Fund applies the Calvert Principles for Responsible Investment (the "**Calvert Principles**") to assess direct investments into baskets of fixed income securities issued or traded on the public markets ("**Public Credit Investments**") across a number of ESG themes deemed to be material by Calvert Research and Management ("**Calvert**"), and only issuers whose business practices and governance structure are assessed to be consistent with the Calvert Principles are eligible for inclusion in the Sub-Fund's portfolio. The Calvert Principles only apply to the Public Credit Investments portion of the portfolio and therefore do not apply to Private Investments or to Eligible Liquid Assets that are not Public Credit Investments.

Exclusions Policy: The Sub-Fund also promotes environmental and social characteristics by excluding investments in companies involved in adult entertainment, production of controversial and conventional weapons, production of ammunition, production of tobacco, upstream production of palm oil, and oil sand and tar sand development. In addition, the Sub-Fund will not invest in (i) companies that have violated the UN Global Compact or the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; and (ii) companies that generate over 5% of total revenue from any of the following

activities: exploration and/or extraction of oil and gas, thermal coal power generation and/or mining, and nuclear power generation.

The Exclusions Policy will not apply to the EPIF investment (which is subject to the exclusions policy set out in the supplement relating to EPIF and will only apply to direct investments in companies.

Please also see "*What is the asset allocation planned for this financial product?*" below for further information.

The Sub-Fund does not use a reference benchmark for the purpose of attaining its environmental or social characteristics.

- *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The following sustainability indicators are used to measure the attainment of the Sub-Fund's environmental and social characteristics:

Binding environmental and social characteristic	**Indicator**	**Methodology**
PME Scorecard	ESG score: • Private Equity investments and Private Real Assets (0% - 100%, 100% best)	The score is based on the Investment Manager's proprietary ESG scoring methodology which assesses potential investment across a range of environmental, social and governance topics to derive a weighted score. Different ESG topics may be considered or prioritised in the methodology, for different asset classes.
EPIF investments	• ESG score (0-3, 3 best) applied by EPIF's Investment Manager. • Exposure to private credit investments that violate any of the exclusion criteria in the exclusions policy described in the supplement of EPIF.	• The ESG score is based on the EPIF Scorecard methodology which is applied by its Investment Manager, and which assesses potential EPIF credit investments across a range of environmental, social and governance topics to derive a weighted score.

		• Compliance with the EPIF exclusions policy is measured in terms of the percentage of compliant private investments within the portfolio.
Calvert Principles	Exposure to Public Credit Investments that are considered eligible for investment in accordance with the Calvert Principles.	Measured in terms of the percentage of Public Credit Investments considered eligible for investment in accordance with the Calvert Principles.
Exclusions Policy	Exposure to direct investments in companies that violate any of the exclusion criteria set out above.	Measured in terms of the percentage of investments within the portfolio.

Additional details on the methodologies used to attain the environmental or social characteristics promoted by the Sub-Fund are provided below in response to the question, "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*".

- *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

  Not applicable

- *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

  Not applicable

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒Yes

☐No

The PME Scorecard used for the Sub-Fund considers certain PAIs as inputs when assessing Private Investments from an ESG perspective. These include PAI indicator 1: GHG emissions, PAI indicator 2: carbon footprint, and PAI indicator 18: exposure to energy-inefficient real estate assets.

The EPIF Scorecard also considers certain PAIs as inputs when assessing private credit investments from an ESG perspective. These include PAI indicator number 13: board gender diversity and PAI indicator 1: GHG emissions. In accordance with the EPIF exclusions policy, the Sub-Fund excludes investment companies that generate over 5% of total revenue from exploration and/or extraction of oil and issuers which receive any revenue from the production of controversial weapons and therefore considers in part PAI indicators number 4: exposure to companies active in the fossil fuel sector and number 14: exposure to controversial weapons, as applicable. As it also excludes issuers that have violated the UN Global Compact Principles, it considers in part PAI indicator number 10: violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

In addition, through the application of the Calvert Principles to the Public Credit Investments, the Sub-Fund seeks to invest in companies that, in the opinion of the Investment Manager, exhibit, through their operations and business practices, sound management of ESG characteristics. These characteristics include environmental sustainability, resource efficiency, support for equitable societies and respect for human rights, accountable governance, and transparent operations. As a result, the Sub-Fund considers the following PAIs through its pass/fail assessment for those companies and sectors where Calvert deems such PAIs relevant:

- PAI number 1: GHG emissions;

- PAI number 3: GHG intensity of investee companies;
- PAI number 4: exposure to companies active in the fossil fuel sector;
- PAI number 13: board gender diversity; and
- PAI number 14: exposure to controversial weapons.

The Exclusions Policy considers some of the principal adverse impacts ("**PAI**") on sustainability factors through the Sub-Fund's exclusionary criteria that are applied to direct investments in companies, as follows:

- The Sub-Fund excludes investment companies that generate over 5% of total revenue from exploration and/or extraction of oil. The Sub-Fund therefore partly considers PAI indicator number 4: exposure to companies active in the fossil fuel sector.

- The Sub-Fund excludes companies that have violated the UN Global Compact Principles. The Sub-Fund therefore considers in part PAI indicator number 10: violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

- The Sub-Fund excludes companies which receive any revenue from the production of controversial weapons. The Sub-Fund therefore considers in part PAI indicator number 14: exposure to controversial weapons.

The Sub-Fund will make information available on how it has considered the PAIs in its periodic reports to investors.

What investment strategy does this financial product follow?

The investment strategy guides investmentdecisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund seeks to generate capital gains and income by following a globally diversified multi-alternative strategy comprised primarily of Private Equity, Private Real Assets investments and Private Credit as well as certain Public Investments consistent with the long-term investment objective and liquidity terms of the Sub-Fund.

The Sub-Fund qualifies as an ELTIF in accordance with the ELTIF Regulation and is intended to be invested in long-term assets. Long-term assets are typically assets that are of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature.

The Sub-Fund expects to invest primarily in a diversified portfolio of Private Investments comprising direct investments, co-investments and secondaries, allocated across asset classes and sector-specific investment opportunities. The implementation of the Sub-Fund's investment strategy will seek to rely on Morgan Stanley's direct access to private investment opportunities and co-investment capabilities with trusted partnerships to build a differentiated and high-conviction portfolio.

Private Investments will primarily consist in the following assets and associated strategies, subject to restrictions set out in the ELTIF Regulation and further described in the Supplement:

Private Equity – Primarily highly curated co-investment allocation offering fee-efficient differentiated lower middle market exposure and robust performance potential. Target companies are expected to provide a balanced sector exposure focused primarily on buyout and growth opportunities in North America and Europe.

Private Real Assets – Primarily differentiated real asset co-investment allocation focused on generating fee-efficient mid-market opportunities. The Investment Manager will seek to access real estate, infrastructure, and natural resources opportunities with a value-add/opportunistic return profile.

Private Credit – The Investment Manager expects to follow a defensive direct lending strategy focused on primarily floating rate, first lien loans to borrowers in non-cyclical industries in the middle market. Pillars of the investment strategy include long-term credit performance, preservation of capital, and risk mitigation. Without limiting the generality of the foregoing, the Investment Manager may implement its Private Credit strategy, in all or in part, by allocating capital to EPIF, another sub-fund, subject to the terms of the ELTIF Regulation.

Public Investments are expected to include Public Credit Investments, cash, cash equivalents and other Eligible Liquid Assets subject to restrictions set out in the ELTIF Regulation. The Investment Manager will seek to gain access to public market opportunities that supplement the exposure to private markets while supporting the liquidity needs of the Sub-Fund, taking into account the redemption policy of the Sub-Fund and the requirements of the ELTIF Regulation and ELTIF CDR.

The Investment Manager has discretion to manage the Sub-Fund, allocating capital to any of the above asset classes and/or adding, removing or modifying the investment strategies implemented in respect of each type of Investment from time to time in its sole discretion, taking into account market conditions, provided it complies with the investment objective of the Sub-Fund, the ELTIF Regulation and the ELTIF CDR.

The Sub-Fund will not be limited with respect to the range or types of industries, sectors, companies, geographic regions or transactions in which it may invest, except as otherwise set forth in the Sub-Fund's Prospectus or Supplement.

The Sub-Fund's performance or portfolio allocation will not be determined by reference to any benchmark.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Binding criteria	
PME Scorecard	The PME Scorecard scores Private Equity investments and Private Real Assets, on a number of environmental, social, and governance criteria. The PME Scorecard is broken down into two main question sets: **1) <u>Private Equity investments and Private Real Assets (excluding private real estate assets)</u>** Private Equity investments and Private Real Assets (excluding private real estate assets) are assessed using questions (the "**Target Companies Question Set**"), which seek to assess their performance on various ESG factors, including the following: the target's policies and procedures and their implementation (including in respect of human rights or compliance with applicable environmental laws); the target's track record on certain ESG matters (including emissions data, recent ESG materiality assessments, legal or regulatory proceedings, or potential violation of the OECD Guidelines for Multinational Enterprises); and the target's monitoring and reporting activities (including an assessment of data systematically collected on ESG matters). The Investment Manager has determined the appropriate weighted score to be assigned to responses to each question in the Target Companies Question Set. The Investment Manager may, in its discretion, change the Target Companies Question Set, including specific questions or the weighted score assigned to any question from time to time. **2) <u>Private real estate assets</u>** Private real estate assets are assessed using questions (the "**Target Real Estate Question Set**") which seek to assess their performance on various ESG factors, including: systematic data collection processes and identification of individual(s) responsible for ESG matters; building electricity consumption data, energy ratings and green or health and well-being building certifications; procurement of renewable electricity and renewable energy generation; emissions data and physical climate risk and building transition pathway assessments; and tenants' ESG obligations under lease contracts as well as tracking of landlord and tenant energy usage. The Investment Manager has determined the appropriate weighted score to be assigned to responses to each question in the Target Real Estate Question Set. The Investment Manager may, in its discretion,

	change the Target Real Estate Question Set, including specific questions or the weighted score assigned to any question from time to time. To the extent questions in the Target Companies Question Set or Target Real Estate Question Set, as applicable, are not material to a potential investment, these may not be assessed with respect to that investment and the PME Scorecard will be reweighted at the Investment Manager's discretion (acting in good faith). **ESG Threshold** Following the period ending eighteen months after the date of the initial issuance of Units by the Sub-Fund (the "**ESG Scorecard Ramp Up**"), and in normal market conditions, the Sub-Fund aims to have at least 50% of the Private Equity investments and Private Real Assets receiving a score of 50% or higher out of 100% (the "**ESG Threshold**"). At the point of investment, the Investment Manager is responsible (i) for verifying the quality and scope of the ESG due diligence upon which the investment's perceived ESG credentials rest, and (ii) for ensuring that, where possible, multiple ESG data sources are used to corroborate findings. Subsequently, the Investment Manager will seek to review ESG data from in-scope Private Equity investments and Private Real Assets on at least an annual basis (together with more frequent updates where possible) to ensure compliance with the Sub-Fund's environmental and social characteristics. The ESG due diligence findings of the Investment Manager will be reviewed and considered by the investment committee. Records of ESG diligence materials and updates will be stored to facilitate post investment, ad hoc external reviews of the Sub-Fund's investments. The Sub-Fund will rescore each company on the PME Scorecard on an annual basis (using information received from borrowers and/or appropriate proxies or estimates) to ensure that progress and potential issues across a wide range of ESG indicators are identified and tracked. The Investment Manager may, in its discretion, update the questions used to assess investments under the PME Scorecard from time to time. Following the ESG Scorecard Ramp Up, the Investment Manager will monitor the portfolio's compliance on an ongoing basis and to the extent the Investment Manager considers that the portfolio's compliance has or may fall below 50%, the Investment Manager will take such remedial steps as it considers appropriate to raise the portfolio's compliance back to at least 50%. However, given the highly illiquid nature of the Private Equity investments and Private Real Assets that the Investment Manager expects to make on behalf of the Sub-Fund, the scope for divestment of investments underperforming against the ESG Threshold is likely to be very limited.

EPIF investment	The EPIF Scorecard scores EPIF's private credit investments on certain environmental, social, and governance criteria with reference to the EPIF investment manager's scoring methodology. EPIF will aim to have at least 75% of the investments assessed against the EPIF Scorecard receive a score above 1 out of 3 (the "**EPIF ESG Threshold**"). In accordance with the exclusion policy described in the supplement of EPIF, EPIF will not invest in private credit investments which, among other things, derive their revenue, or a proportion of their revenue, as applicable, from adult entertainment, production of controversial and conventional weapons, exploration and/or extraction of oil, thermal coal power generation and/or mining, or which violate norm-based exclusions such as the UN Global Compact. Given the highly illiquid nature of private credit investments that will be made by EPIF, the scope for divestment of investments which don't meet EPIF's environmental and social criteria (including these ESG exclusions), is likely to be very limited.
Calvert Principles	The Investment Manager will assess business practices and governance structure of all Public Credit Investments in order to ensure they are consistent with the Calvert Principles in order to be eligible for inclusion in the Sub-Fund's portfolio. The Calvert Principles provide a framework to assess investee company activities and behaviours across a number of financially material ESG themes to determine their eligibility. The following environmental and social themes are considered in the Calvert Research System (the "**CRS**"): biodiversity and land, climate and energy, pollution and waste, employee health and safety, product integrity and social impacts of the supply chain. Calvert is an indirect, wholly owned subsidiary of Morgan Stanley, whose role in relation to the Sub-Fund is limited to research to assist the Investment Manager in its assessment of Public Credit Investments. Calvert has no discretion to make or recommend portfolio allocation or construction decisions on behalf of the Sub-Fund, such investment discretion being vested solely in the Investment Manager.
The Fund will not make direct investments in companies which:	**Derive any revenue from any of the following activities:** • Production of adult entertainment • Production of controversial and conventional weapons • Production of ammunition • Production of tobacco • Upstream production of palm oil; and • Oil sand and tar sand development **Derive more than 5% revenue from any of the following activities:** • Exploration and/or extraction of oil and gas • Thermal coal power generation and/or mining; and • Nuclear power generation

	<u>Violate any of the following norm-based exclusions:</u> • UN Global Compact; and • International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Compliance with the above exclusions will be assessed prior to investment and reassessed on at least an annual basis (using information received from borrowers and/or appropriate proxies or estimates) using in-house research and third-party data. As noted above, given the highly illiquid nature of the Private Equity investments and Private Real Assets that the Investment Manager expects to make on behalf of the Sub-Fund, the scope for divestment of investments which during the holding period, breaches the Exclusions Policy of the Sub-Fund is likely to be very limited.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

  Not applicable. No minimum reduction rate has been defined in relation to the Sub-Fund's scope of investments.

- *What is the policy to assess good governance practices of the investee companies?*

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

<u>Private Equity investments and Private Real Assets (excluding private real estate assets)</u>

As part of its bottom-up, fundamental research process, the Investment Manager systematically incorporates the assessment of a portfolio company's corporate governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance.

This is done through the monitoring of data on governance-related, as well as on other environmental and/or social, factors and controversies, sourced from third party providers, through in-house research, and through engagement with the management of selected companies on corporate governance and disclosure issues.

<u>Private real estate assets</u>

As the Sub-Fund invests in private real estate assets, the Investment Manager considers the practices and operations of property managers (where relevant) to evaluate governance-related standards, as well as material controversies.

<u>EPIF investments</u>

As an Article 8 fund, EPIF has a process to assess investee governance and business practices, including but not limited to evidence of sound management structures and employee relations, fair remuneration of staff, and tax compliance.

Public Credit Investments

The Investment Manager applies the Calvert Principles to determine an eligible investment universe that limits exposure to companies that demonstrate poor management of financially material environmental or social risks.

In addition, within the CRS, the Calvert governance score is a common element across all peer group models. It is designed to capture the relationship between corporate governance and financial performance and to reduce country bias in company-level governance scoring.

The score breaks issuers into four country clusters based on defined market rules and business practices in those countries. The score then applies 10 custom composite KPIs weighted by financial materiality within each country context. The KPIs assess the issuer's corporate governance and business practices, with a focus on sound management structures of the investee companies.

Calvert then uses additional third-party governance indicators and controversy data in order to screen investee companies on their employee relations, fair remuneration of staff, and tax compliance, to ensure overall alignment with good governance practices.

When ESG data is very limited, a more qualitative research approach is taken. In these cases, the Calvert governance score is not generated, but a qualitative review of the issuer's Calvert Principles alignment and governance is conducted subject to the same oversight process as quantitatively scored issuers, including review by the relevant Calvert committee.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

In normal market conditions and by the end of the ESG Scorecard Ramp Up period the Sub-Fund aims to invest in:

- **Private Equity Investments and Private Real Assets**: at least 50% of which meet the ESG Threshold pursuant to the PME Scorecard characteristic;
- **Private Credit Investments**: at least 80% of which meet the exclusions policy described in the supplement of EPIF and 75% of which meet the EPIF ESG Threshold;
- **Public Credit Investments**: all of which are expected to be aligned with the Calvert Principles; and
- **Eligible Liquid Assets (other than Public Credit Investments)**: all of which are intended to provide the Sub-Fund with additional liquidity and / or to manage cash

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

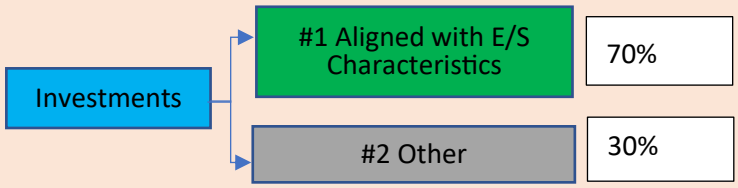
before investing capital received from investors into other investments, without contributing to the environmental and social characteristics of the Sub-Fund.

As set out above, certain ESG exclusions will be applied to all direct investments in companies, and for the avoidance of doubt, will not be applied to (i) Private Real Assets; and (ii) the EPIF investment, which will instead follow the ESG exclusions set out in the supplement of EPIF.

Overall, the percentage of the Sub-Fund's portfolio aligned to environmental and social characteristics, in normal market conditions and by the end of the ESG Scorecard Ramp Up period, is expected to be 70%.

These percentages are measured according to the value of the investments. The percentages do not take into account hedging instruments that may be held by the portfolio from time to time, as the Investment Manager generally expects them to represent a nil to minimal proportion of the overall portfolio. Please also note that the percentages may be subject to change (including as a result of market movements).

The Sub-Fund does not intend to make any sustainable investments within the meaning of the SFDR.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

  Not applicable - the Sub-Fund does not invest in derivatives to attain environmental or social characteristics.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable - the Sub-Fund does not commit to making sustainable investments or Taxonomy aligned investments.

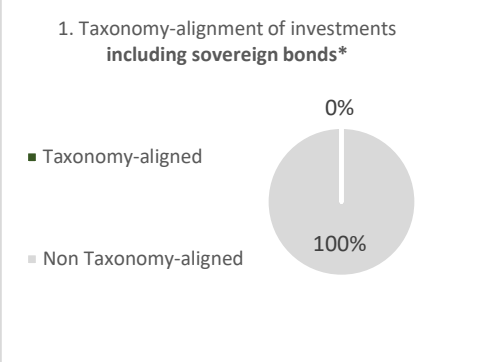
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[9]?**

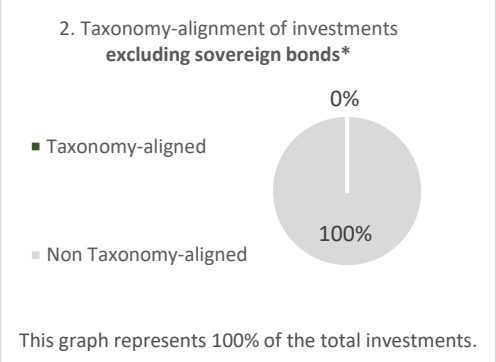
  ☐ Yes:

  In fossil gas ☐ In nuclear energy ☐

  ☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.***

- *What is the minimum share of investments in transitional and enabling activities?*

  Not applicable

This symbol represent sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable

What is the minimum share of socially sustainable investments?

Not applicable

[9] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The 'Other' investments of the Sub-Fund (to which no environmental and/or social characteristics are applied) will include:

- **Cash for liquidity management purposes**: No minimum environmental or social safeguards are applied.
- **Other investments which do not meet the environmental and social characteristics of the fund:** The Investment Manager will apply its standard due diligence screening to these investments as a minimum environmental and social safeguard. Such screening involves but is not limited to the integration of environmental, social and governance considerations into the investment process as part of the Investment Manager's Due Diligence Framework, determing the key ESG risks associated with the particular asset class and the monitoring and tracking of investments' performance against certain ESG-related performance indicators.

  As noted above, hedging instruments (such as FX forwards) may be held within the portfolio from time to time; however, they have not been represented in the asset allocation section above as the Investment Manager generally expects them to represent a nil to minimal proportion of the overall Sub-Fund's portfolio. No minimum environmental or social safeguards will be applied to these ad hoc positions in hedging instruments.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

Where can I find more product-specific information online?

More product-specific information can be found on the website: https://www.morganstanley.com/im/publication/msprivatefund/material/sfdrwebsitepfprivatemarketseltifen.pdf

ANNEX V
SELLING RESTRICTIONS

The distribution of the Prospectus and this Supplement and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may (in addition to those restrictions under the laws of various jurisdictions described herein) be restricted or prohibited by law. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence and domicile with respect to the acquisition, holding or disposition of the Shares. Copies of the Prospectus and this Supplement distributed to investors in a particular jurisdiction may include an additional notice regarding the offering and sale of the Shares in that jurisdiction, which notice, if included, will be annexed to the Prospectus and this Supplement.

Notice to residents of the European Economic Area

Pursuant to the EU Directive 2011/61/EU on the Alternative Investment Fund Managers Directive (the "**AIFMD**"), the Fund will constitute an EU AIF whose AIFM is itself an EU AIFM. Each Member State of the European Economic Area has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing of the Shares of the Sub-Fund to any (prospective) Investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Potential Investors should ensure they are able to subscribe for Shares in the Sub-Fund in accordance with the above laws.

When marketed under the AIFMD marketing passport provided for in Article 32 of the AIFMD, Shares in the Sub-Fund are available for purchase by (i) Professional Investors, being Investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**"), and (ii) Retail Investors fulfilling the eligibility requirements of the ELTIF Regulation.

Notice to Investors in Australia

The Sub-Fund is not, and is not required to be, a registered foreign body corporate in Australia, and this Supplement is not a prospectus or a product disclosure statement, for the purposes of Chapter 6D or Chapter 7 of the Corporations Act 2001 (Cth) ("**Australian Corporations Act**"). It is not required to, and does not, contain all the information which would be required in a prospectus or a product disclosure document. It is not lodged or required to be lodged with the Australian Securities and Investments Commission. The provision of this Supplement to any person does not constitute an offer of Shares to that person or an invitation to that person to subscribe for Shares. Shares will only be offered in Australia to persons who are a sophisticated or professional investor for the purposes of section 708 of the Australian Corporations Act, a wholesale client for the purposes of section 761G or 761GA of the Australian Corporations Act. This Prospectus is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia. Shares subscribed for by investors in Australia must not be offered for resale in Australia for 12 months from allotment except in circumstances where the investor is also a sophisticated or professional investor and wholesale client and disclosure to that investor under the Australian Corporations Act would not be required. The information in this Supplements has been prepared for information purposes and sets out information relating to the offer of Shares. It does not take into account any investor's objectives, financial situation or needs. Prospective investors in Australia should, before acting on the information in this Supplement, consider its appropriateness having regard to their objectives, financial situation and needs and confer with their professional advisors if in any doubt about their position.

This Supplement has not been prepared specifically for Australian investors. It may contain references to dollar amounts which are not Australian dollars, may contain financial information which is not prepared in accordance with Australian law or practices, may not address risks associated with investment in foreign currency denominated investments and does not address Australian tax issues.