

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 (<i>Share Classes</i>) 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 (<i>U.S. Dodd-Frank Act and Volcker Rule</i>) of this Supplement.
AIFM Fee	has the meaning set forth in section (<i>AIFM Fee</i>) of this Supplement.
Applicable Hedging Transactions	has the meaning set forth in section (<i>Hedging</i>) of this Supplement.
BHC	has the meaning set forth in section (<i>BHCA</i>) 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 (<i>First Closing and Subscriptions</i>) of this Supplement.
Discretionary Expense Cap	has the meaning set forth in section (<i>Discretionary Expense Cap</i>) of this Supplement.
Distributable Income	has the meaning set forth in section (<i>Distributions and Reinvestment</i>) of this Supplement.
Distribution Share Classes	has the meaning set forth in section (<i>Share Classes</i>) 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 (<i>Redemptions and Liquidity</i>) of this Supplement.
Eligible Currencies	has the meaning set forth in Annex I (<i>Share Classes</i>).
Eligible Investment Assets	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.
Eligible Liquid Assets	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.
Eligible Investors	has the meaning set forth in section (<i>Eligible Investors</i>) of this Supplement.
ELTIF	European long-term investment fund.
End of Life	has the meaning set forth in section (<i>End of Life and Wind-down Period</i>) 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 (<i>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</i>) of this Supplement.
Excess Costs	has the meaning set forth in section (<i>Discretionary Expense Cap</i>) of this Supplement.
Fee Holiday Date	means the first anniversary of the First Closing Date.
FHC	has the meaning set forth in section (<i>BHCA</i>) of this Supplement.
First Closing Date	has the meaning set forth in section (<i>First Closing and Subscriptions</i>) of this Supplement.
Foreign Public Fund	has the meaning set forth in section (<i>U.S. Dodd-Frank Act and Volcker Rule</i>) of this Supplement.
Fund	Cabot S.A. SICAV.
Global Distributor	has the meaning set forth in section (<i>Global Distributor; Sub-Distributors</i>) of this Supplement.
Incentive Fee	has the meaning set forth in section (<i>Management and performance related fees</i>) of this Supplement.

Intermediate Vehicle	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) 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 (<i>Investment Limitations</i>) 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 (<i>Management and performance related fees</i>) of this Supplement.
Morgan Stanley Related Persons	has the meaning set forth in section (<i>Allocation of Investment Opportunities</i>) of this Supplement.
MS Base Commitment	has the meaning set forth in section (<i>Morgan Stanley Investment</i>) of this Supplement.
NAV Publication Date	has the meaning set forth in section (<i>First Closing and Subscriptions</i>) of this Supplement.
Organisational Expenses	has the meaning set forth in section (<i>Costs of setting up the Sub-Fund</i>) of this Supplement.
Other Costs	has the meaning set forth in section (<i>Discretionary Expense Cap</i>) of this Supplement
Per-Fund Limit	has the meaning set forth in section (<i>U.S. Dodd-Frank Act and Volcker Rule</i>) of this Supplement.
Private Credit	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.
Private Equity	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.
Private Investments	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.

Private Real Assets	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.
Public Investments	has the meaning set forth in section (<i>Investment Objectives and Investment Strategy</i>) of this Supplement.
Ramp-up Period	has the meaning set forth in section (<i>Investment Limitations</i>) of this Supplement.
Redemption Cap	has the meaning set forth in section (<i>Redemptions and Liquidity</i>) of this Supplement.
Redemption Cut-Off Date	has the meaning set forth in section (<i>Redemptions and Liquidity</i>) of this Supplement.
Redemption Date	has the meaning set forth in section (<i>Redemptions and Liquidity</i>) of this Supplement.
Redemption Period	has the meaning set forth in section (<i>Redemptions and Liquidity</i>) of this Supplement.
Retail Investors	has the meaning set forth in the important notice section (<i>Eligible Investors</i>) of this Supplement.
Scorecard	has the meaning set forth in section (<i>Sustainability-Related Disclosures</i>) of this Supplement.
Securities Act	the U.S. Securities Act of 1933, as amended.
Senior Payment Items	has the meaning set forth in section (<i>Distributions and Reinvestment</i>) of this Supplement.
Servicing Fee	has the meaning set forth in section (<i>Distribution Costs</i>) 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 (<i>Global Distributor; Sub-Distributors</i>) 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 (<i>Subscription Amounts</i>) 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 (<i>Management and performance related fees</i>) of this Supplement.
Valuation Day	has the meaning set forth in section (<i>Net Asset Value Calculation, Publication and Valuation Day</i>) of this Supplement.
Valuation Policy	has the meaning set forth in section (<i>Valuation Methodology</i>) 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

<p>Sub-Fund</p>	<p>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.</p>
<p>Investment Manager and Sub-Investment Manager</p>	<p>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).</p> <p>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.</p> <p>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.</p> <p>The Investment Manager and Sub-Investment Manager (as relevant) will be responsible for reviewing and</p>

	<p>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.</p> <p>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.</p> <p>Please refer to the section 5.10 (<i>Indemnification</i>) in the Prospectus for further details.</p> <p>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</p>
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	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Investment Objectives and Investment Strategy</p>	<p>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.</p> <p>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.</p>

	<p>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.</p> <p>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:</p> <p>“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.</p> <p>“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.</p> <p>“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.</p> <p>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.</p>
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>The Sub-Fund's performance or portfolio allocation will not be determined by reference to any benchmark.</p>
<p>Investment Limitations</p>	<p>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.</p> <p>The Sub-Fund may only invest in:</p> <ul style="list-style-type: none"> • 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,

	<p>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</p> <ul style="list-style-type: none"> • 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"). <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>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</p>
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>The following additional investment restrictions will apply to the Sub-Fund:</p> <ul style="list-style-type: none"> • 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
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	<p>Article 15 of the ELTIF Regulation.</p> <p>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.</p> <p>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.</p>
<p>Global Distributor; Sub-Distributors</p>	<p>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”).</p> <p>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.</p>
<p>Currency of the Sub-Fund</p>	<p>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.</p> <p>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</p>

	<p>currency exchange rate fluctuations, which could adversely affect its performance and Net Asset Value.</p>
<p>Net Asset Value Calculation, Publication and Valuation Day</p>	<p>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.</p> <p>The Net Asset Value with respect to a specific month will generally be available around the 15th Business Day of the following month.</p>
<p>Shares</p>	<p>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 (<i>First Closing / Subscriptions</i>) below.</p> <p>All Shares of the Sub-Fund will be registered in the Share Register of the Fund.</p> <p>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.</p>
<p>Share Classes</p>	<p>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.</p>

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

	<p>discretion (such date, the “Class F0 Subscription Termination Date”).</p> <p>“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 (<i>Share Classes</i>). 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 (<i>Share Classes</i>), and/or (ii) impose different eligibility criteria, provided that such criteria are consistent with those described in this Supplement.</p> <p>Share Classes whose name includes the letter “X” are not subject to the Early Repayment Reduction.</p> <p>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 “<i>Redemptions and Liquidity</i>” below.</p> <p>A complete list of Share Classes available within each category is available upon request at the registered office of the Fund.</p> <p>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.</p> <p>The Board of Directors may make available each Share Class:</p> <ul style="list-style-type: none"> - as an Accumulation Share Class or a Distribution Share Class, as indicated under column “Type of
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	<p>Share” in Annex I (<i>Share Classes</i>) of this Supplement;</p> <ul style="list-style-type: none"> - in any of the Eligible Currencies, as indicated under column “Currency” in Annex I (<i>Share Classes</i>) of this Supplement; and - as a Hedged Share Class or non-Hedged Share Class. <p>It is not expected that all potential Share Classes will be available to investors as of the First Closing Date.</p> <p>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 (<i>Share Classes</i>) to this Supplement. The Board of Directors will update Annex I (<i>Share Classes</i>) 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 (<i>Share Classes</i>) will be updated accordingly within a reasonable delay.</p> <p>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.</p> <p>8 Share Classes which are subject to a Servicing Fee (as defined below), as detailed in Annex I (<i>Share Classes</i>) 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:</p> <ul style="list-style-type: none"> 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); and 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.
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	<p>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.</p> <p>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.</p>
Type of Shares	Registered Shares only.
Subscription Amounts	<p>The subscription amount in respect of the relevant Share Class is subject to the minimum set out in Annex I (<i>Share Classes</i>) 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").</p>
First Closing and Subscriptions	<p>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").</p> <p>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").</p> <p>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</p>

	<p>their jurisdiction to find out which cut-off time is applicable to them.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Board of Directors also has the discretion to declare additional or more frequent Dealing Dates.</p> <p>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").</p> <p>The relevant Shareholder will receive confirmation of the relevant subscription following the NAV Publication Date.</p> <p>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</p>
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	<p>(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).</p> <p>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.</p> <p>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.</p>
<p>Cooling-off period</p>	<p>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.</p> <p>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.</p>
<p>Morgan Stanley Seed Capital</p>	<p>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.</p> <p>Following the receipt of Subscription Amounts from Shareholders (or at any other appropriate time as determined by the Board of Directors in its discretion),</p>

	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Redemptions and Liquidity</p>	<p>Shareholders will be offered the opportunity to submit requests for their Shares to be redeemed in accordance with the process set out below.</p> <p>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.</p>

	<p>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.</p> <p>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.</p> <p>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</p>
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	<p>to later requests, if necessary, on a pro-rata basis among involved Shareholders.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>
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	<p>arrangements necessary to respond appropriately to redemption requests.</p> <p>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.</p> <p>The Investment Manager may also use the Sub-Fund's credit facility to provide additional liquidity and to bridge subscriptions and redemptions.</p>
<p>Compulsory Redemptions</p>	<p>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</p>

	<p>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.</p> <p>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 <i>nolo contendere</i> 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.</p> <p>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.</p> <p>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.</p> <p>Notwithstanding the terms of section (<i>Redemptions and Liquidity</i>) 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</p>
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	<p>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.</p> <p>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.</p> <p>Compulsory redemptions carried out under the conditions laid out in this section (<i>Compulsory Redemptions</i>) shall prevail over redemptions carried out under normal circumstances in accordance with section (<i>Redemptions and Liquidity</i>) above.</p>
<p>Transferability of Shares</p>	<p>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.</p> <p>The Sub-Fund does not offer any matching mechanism in accordance with article 19(2a) of the ELTIF Regulation.</p>
<p>Borrowing</p>	<p>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</p>

	<p>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.</p> <p>When borrowing cash, the Sub-Fund may encumber its assets to implement its borrowing strategy.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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	<p>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.</p>
<p>AIFMD Leverage</p>	<p>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.</p> <p>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.</p>
<p>Hedging</p>	<p>The Investment Manager intends, subject to the conclusion of satisfactory and commercially available</p>

	<p>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.</p> <p>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.</p>
<p>Derivatives and Securities Financing Transactions</p>	<p>The Sub-Fund may not invest in or enter into any form of derivative instruments other than as described in section “Hedging” above.</p> <p>The Sub-Fund may use forward contracts and currency swaps in implementing Applicable Hedging Transactions or in respect of currency hedged Share Classes.</p>
<p>Underlying Investors</p>	<p>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.</p> <p>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.</p>

	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Eligible Investors</p>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> (i) 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

	<p>Shares in accordance with the national laws of their home Member State;</p> <p>(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 and/or beneficially or legally holding the Shares in accordance with UK law; and</p> <p>(iii) 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.</p> <p>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.</p>
<p>Communication and announcements to the Shareholders</p>	<p>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.</p>
<p>Conversion of Shares</p>	<p>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).</p>
<p>End of Life and Wind-down Period</p>	<p>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).</p> <p>The Sub-Fund may be terminated early (i) by a decision of the Board of Directors in accordance with the Articles of</p>

	<p>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.</p> <p>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”).</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>Distributions and Reinvestment</p>	<p>Subject to the terms of this Supplement, as set out under “<i>Share Classes</i>”, 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</p>

	<p>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:</p> <ul style="list-style-type: none"> (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. <p>The Investment Manager generally applies the following considerations in exercising its discretion to cause the Sub-Fund to allocate its cash resources.</p> <p>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 (<i>Other Costs</i>) 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.</p> <p>The Distributable Income of the Sub-Fund will, subject to applicable regulations and accounting principles, generally be applied as follows:</p> <ul style="list-style-type: none"> (i) Distributable Income attributable to Accumulation Share Classes will generally be retained by the Sub-Fund and not distributed; and (ii) 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.
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	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p>
<p>Distributions in kind</p>	<p>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</p>

	<p>kind shall be made in proportion to the aggregate amounts that would be distributed to each Shareholder as determined by the AIFM.</p> <p>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.</p>
<p>Co-Investment</p>	<p>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).</p>
<p>Allocation of Investment Opportunities</p>	<p>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").</p>

	<p>Please see Annex II (<i>Risk Factors and Potential Conflicts of Interest—Investments by Affiliated Investment Accounts, Affiliated Investment Programs and Morgan Stanley Businesses</i>) 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.</p>
<p>Valuation Methodology</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

	<p>Investments. For Private Investments, the fair value will generally be determined on a monthly basis.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>
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	<p>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.</p> <p>The Eligible Liquid Assets will be valued in accordance with the Valuation Policy and the general valuation provisions of section 7.2 (<i>Valuation Procedure</i>) of the Prospectus.</p>
<p>Reporting</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>Costs of setting up the Sub-Fund</p>	<p>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 (<i>Fees and Expenses</i>) 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").</p> <p>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.</p> <p>Organizational Expenses include all legal and other expenses incurred in the formation and organization of the</p>

	<p>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.</p>
<p>Costs related to the acquisition of assets</p>	<p>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.</p>
<p>Management and performance related fees</p>	<p>Management Fee:</p> <p>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.</p> <p>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.</p> <p>The Management Fee will not accrue and will not be payable before the Fee Holiday Date. Thereafter, the</p>

	<p>Management Fee shall be accrued and paid in accordance with this section (<i>Management and performance related fees</i>).</p> <p>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 (<i>Share Classes</i>) 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.</p> <p>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.</p> <p>Incentive Fee:</p> <p>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.</p> <p>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.</p> <p>The Investment Manager may, at its sole discretion, waive the Incentive Fee, in whole or in part, with respect to one</p>
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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

	<p>exclude any Shares repurchased during such period, if any.</p> <p>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.</p> <p>“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).</p> <p>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.</p> <p>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.</p> <p>Any Incentive Fee payable by the Sub-Fund that relates to an increase in value of the Investments may be computed</p>
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	<p>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.</p> <p>Notwithstanding anything in this section (<i>Incentive Fee</i>) 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.</p> <p>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.</p> <p>All fees referenced in this Supplement are exclusive of any applicable tax unless otherwise stated.</p>
<p>Distribution Costs</p>	<p>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 (<i>Share Classes</i>) 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.</p> <p>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.</p> <p>In addition, certain Sub-Distributors may charge the Sub-Fund a platform distribution and advisory fee in consideration of any platform distribution and advisory</p>

	<p>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.</p> <p>For the avoidance of doubt, nothing in this section “<i>Distribution Costs</i>” 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.</p>
<p>Other Costs</p>	<p>Fees for the Depositary</p> <p>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.</p> <p>Fees for the Administrator</p> <p>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.</p> <p>Investment Banking and Other Fees</p> <p>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.</p> <p>Other ancillary costs and expenses</p> <p>As described in section 9 (<i>Fees and Expenses</i>) of the Prospectus and further set out below, the Board of</p>

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.

<p>Overall Cost Ratio</p>	<p>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.</p> <p>In compliance with the ELTIF Regulation, the total annual costs are assessed on an ‘all taxes included’ basis.</p>
<p>Discretionary Expense Cap</p>	<p>The aggregate amount of (i) the Organisational Expenses, (ii) the AIFM Fee and (iii) the costs and expenses set out in section (<i>Other Costs</i>) 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”).</p> <p>The costs and expenses referred to in (iii) in the preceding paragraph shall exclude:</p> <ul style="list-style-type: none"> • 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 (<i>Other Costs</i>) 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 "<i>Other Costs</i>" allocated to a Share Class (the “Other Costs”).

	<p>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.</p> <p>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).</p> <p>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:</p> <p>(i) the Reimbursement may not exceed the lower between:</p> <ul style="list-style-type: none"> • 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 <p>(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).</p>
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	<p>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.</p> <p>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).</p>
<p>Investment Expense Allocation</p>	<p>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.</p>
<p>Sustainability-Related Disclosures</p>	<p>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.</p> <p>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</p>

	<p>promote the following environmental and social characteristics, in respect of these asset classes:</p> <p>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.</p> <p>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 “<i>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?</i>”. 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.</p> <p>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.</p> <p>Exclusions Policy: The Sub-Fund also promotes environmental and social characteristics by excluding investments in companies involved in adult entertainment,</p>
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	<p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • 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	<p>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).</p>
Legal Counsel	<p>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.</p>
ERISA Considerations	<p>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 (<i>Certain Regulatory Law Matters</i>). 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</p>

	<p>provisions of ERISA and/or the Code applicable to an investment in the Sub-Fund.</p> <p>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.</p>
<p>Other Regulatory Considerations</p>	<p>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.</p>
<p>BHCA</p>	<p>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.</p>

	<p>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.</p> <p>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.</p> <p>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</p>
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	<p>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.</p>
<p>U.S. Dodd-Frank Act and Volcker Rule</p>	<p>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.</p> <p>(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").</p> <p>(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:</p> <p style="padding-left: 40px;">(1) the distribution is (a) subject to substantive disclosure and retail investor</p>

	<p>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</p> <p>(2) the issuer has filed or submitted, with the appropriate regulatory authority in such jurisdiction, offering disclosure documents that are publicly available.</p> <p>(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.</p> <p>(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.</p> <p>(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</p>
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	<p>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.</p> <p>(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.</p> <p>(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.</p> <p>For the avoidance of doubt:</p>
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	<ul style="list-style-type: none"> (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.
<p>Tax Considerations</p>	<p>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.</p> <p>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</p> <p>EACH SHAREHOLDER SHOULD REVIEW THE ENTIRE PROSPECTUS FOR A MORE DETAILED DISCUSSION OF THE TAX CONSIDERATIONS ASSOCIATED WITH AN INVESTMENT IN THE SUB-FUND.</p>

<p>Risk Factors and Potential Conflicts of Interest</p>	<p>Please refer to Annex II (Risk Factors and Potential Conflicts of Interest) to this Supplement.</p> <p>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.</p> <p>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.</p> <p>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</p>
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	<p>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.</p> <p>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.</p>
<p>Selling Restrictions</p>	<p>Please refer to Annex V (Selling Restrictions) to this Supplement.</p>

**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%
1 st 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%
2 nd & 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, its 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 the Sub-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, administering, 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 administered 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 (<i>Investment Objectives and Investment Strategy</i>) 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 (<i>Investment Objectives and Investment Strategy</i>), and (<i>Investment Limitations</i>) of this Supplement.
Art 23(1)(a)	Description of the techniques the AIF may employ and all associated risks.	Please refer to sections (<i>Investment Objectives and Investment Strategy</i>) and (<i>Derivatives and Securities Financing Transactions</i>) of this Supplement, Annex II (<i>Risk Factors and Potential Conflicts of Interest</i>) and section 16 (<i>Certain Risk Considerations</i>) 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 (<i>Investment Limitations</i>) 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.	<p>Please refer to the section entitled (<i>Borrowing</i>) of this Supplement and (<i>Borrowing Policies</i>) of the Prospectus. Please also refer to the section of this Supplement entitled (<i>AIFMD Leverage</i>) and the section of the Prospectus entitled (<i>Leverage</i>).</p> <p>Please refer to Annex II (<i>Risk Factors and Potential Conflicts of Interests</i>) to this Supplement. Please also refer to the section of the Prospectus entitled (<i>Risk related to the Fund, its structure and operations</i>) sub-paragraph (<i>Leverage and credit facilities</i>) for details of associated risks.</p> <p>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.</p>
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 (<i>AIFMD Leverage</i>) and the section of the Prospectus entitled (<i>Leverage</i>).
	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 (<i>Investment Limitations</i>) of this Supplement. Please refer to section (<i>Derivatives and securities financing transactions</i>) of this Supplement.
Art 23(1)(b)	Description of the procedures by which the AIF may change its	Please refer to section 13 (<i>Amendments</i>) 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 (<i>General Information</i>) and 12.3 (<i>Investor Rights</i>) 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.	<p>AIFM: MSIM Fund Management (Ireland) Limited 24-26 City Quay Dublin D02 NY19 Ireland</p> <p>Investment Manager: Morgan Stanley Investment Management Limited 25 Cabot Square, Canary Wharf London E14 4QA, United Kingdom</p> <p>Sub-Investment Manager Morgan Stanley Investment Management Inc c/o The Corporation Trust Company, Corporation Trust Center 1209 Orange Street Wilmington DE 19801 US</p> <p>Depositary:</p>

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		<p>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</p> <p>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</p> <p>Auditor: Deloitte Audit S.à r.l. 20, Boulevard de Kockelscheuer L - 1821 Luxembourg Grand Duchy of Luxembourg</p> <p>Legal Counsel to the Fund Arendt & Medernach S.A. 41A, Avenue JF Kennedy L-2082 Luxembourg</p> <p>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</p> <p>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</p>

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		<p>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.</p> <p>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.</p> <p>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").</p>

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		<p>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.</p> <p>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.</p> <p>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.</p> <p>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 Depository 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.</p>

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.	<p>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 (<i>Investment Manager and Sub-Investment Manager</i>) of this Supplement.</p> <p>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.</p> <p>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</p>

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		<p>other clients, funds or other third parties for the provision of safekeeping and related services.</p> <p>In relation to conflicts of interest, please refer to Annex II (<i>Risk Factors and Potential Conflicts of Interests</i>) to this Supplement and section 5.2 (<i>AIFM</i>), 5.6 (<i>Depositary</i>) and 14 (<i>Conflicts of Interest</i>) of the Prospectus.</p>
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 (<i>Valuation Methodology</i>) of this Supplement and section 7 (<i>Valuation and Net Asset Calculation</i>) 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 (<i>Redemptions and Liquidity</i>) of this Supplement and sections 6 (<i>Shares</i>) 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 (<i>Global Distributor; Sub-Distributors, (Costs of setting up the Sub-Fund), (Management and performance related fees), (Distribution Costs), (Other Costs), (Investment</i>

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
	are directly or indirectly borne by Shareholders.	<p><i>Expense Allocation</i>) of this Supplement and section 9 (<i>Fees and Expenses</i>) of the Prospectus.</p> <p>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.</p>
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(<i>Preferential Treatment</i>) 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 (<i>Reporting</i>) of this Supplement and sections Error! Reference source not found. 12.1(<i>Reports and financial statements</i>) and 12.5 (<i>Documents and Information Available</i>) 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 (<i>Shares</i>), (<i>Share Classes</i>) (<i>First Closing and Subscriptions</i>) of this

AIFMD reference	Information to be disclosed	Where disclosed to Shareholders
		Supplement and section 6 (<i>Shares</i>) 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

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 (<i>Documents and information available</i>) of the Prospectus.

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

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

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?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: __%	<input type="checkbox"/> 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
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> 1.1b in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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?*

The following sustainability indicators are used to measure the attainment of the Sub-Fund’s environmental and social characteristics:

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Binding environmental and social characteristic	Indicator	Methodology
PME Scorecard	ESG score: <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.

		<ul style="list-style-type: none"> 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

investment decisions 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	<p>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:</p> <p>1) <u>Private Equity investments and Private Real Assets (excluding private real estate assets)</u></p> <p>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).</p> <p>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.</p> <p>2) <u>Private real estate assets</u></p> <p>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.</p> <p>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,</p>

	<p>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).</p> <p>ESG Threshold</p> <p>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”).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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<p>EPIF investment</p>	<p>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”).</p> <p>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.</p>
<p>Calvert Principles</p>	<p>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.</p> <p>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.</p> <p>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.</p>
<p>The Fund will not make direct investments in companies which:</p>	<p><u>Derive any revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> • 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 <p><u>Derive more than 5% revenue from any of the following activities:</u></p> <ul style="list-style-type: none"> • Exploration and/or extraction of oil and gas • Thermal coal power generation and/or mining; and • Nuclear power generation

	<p><u>Violate any of the following norm-based exclusions:</u></p> <ul style="list-style-type: none"> • UN Global Compact; and • International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. <p>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.</p>
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- *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?*

Private Equity investments and Private Real Assets (excluding private real estate assets)

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.

Private real estate assets

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.

EPIF investments

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance

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?

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

Asset allocation describes the share of investments in specific assets.

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.

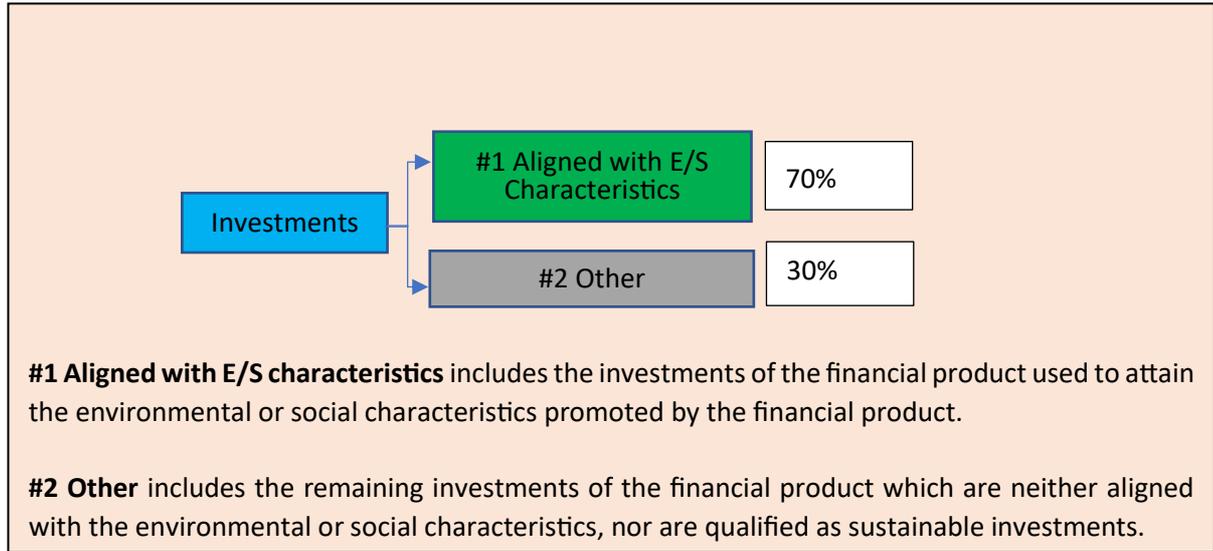
before investing capital received from investors into other investments, without contributing to the environmental and social characteristics of the Sub-Fund.

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.

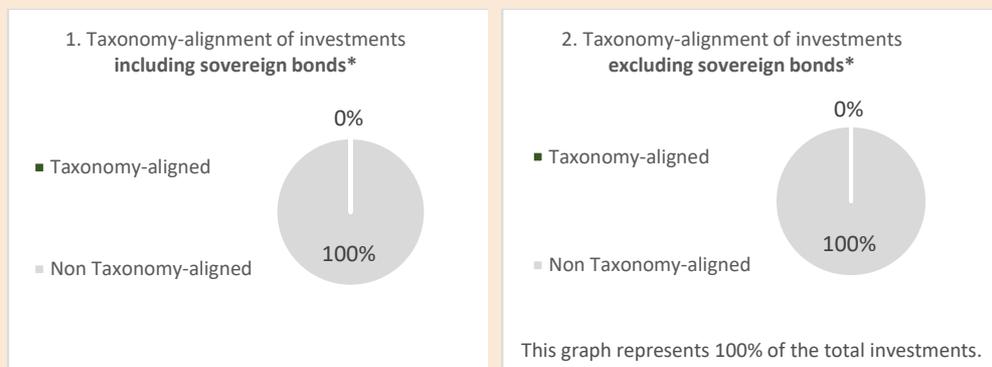
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

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



- 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

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.

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 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, determining 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?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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 Supplement 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.