

Morgan Stanley ETF ICAV

Garnet US Treasury Bond 1-3 Year UCITS ETF

Registered number C546445

Annual Report and Audited Financial Statement | 31 December 2025

(An umbrella fund constituted as an Irish Collective Asset-management Vehicle under the laws of Ireland with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

Table of Contents

Directors and Other Information	2
Directors' Report	3
Investment Manager's Report	7
Report of the Depositary to the Shareholders	8
Independent Auditor's Report (International Standards on Auditing)	9
Independent Auditor's Report (US GAAS)	16
Statement of Financial Position	18
Statement of Comprehensive Income	19
Statement of Changes in Equity	20
Statement of Cash Flow	21
Notes to Financial Statements	22
Schedule of Investments	32
Statement of Significant Portfolio Changes (unaudited)	33
Report on Remuneration (unaudited)	35
Sustainable Finance Disclosure Regulation (SFDR) (unaudited)	36

Directors and Other Information

Directors³:

Frank O'Brien (Chair, Irish)^{1/5}

Dualta Counihan (Irish)⁶

Eve Finn (Irish)^{2/5}

Liam Collins (Irish)⁶

Rowena Mallaghan (British)^{4/5}

¹ Employee of MSIM Fund Management (Ireland) Limited

² Independent Director

³ Non-executive Director

⁴ Employee of Morgan Stanley Investment Management Limited

⁵ Appointed on 20 December 2024

⁶ Resigned on 20 December 2024

Manager and Global Distributor:

MSIM Fund Management (Ireland) Limited

24-26 City Quay

Dublin 2, D02 NY19

Ireland

Investment Manager:

Morgan Stanley Investment Management Limited

25 Cabot Square

Canary Wharf

London E14 4QA

United Kingdom

Sub-Investment Manager:

Morgan Stanley Investment Management Inc.

1585 Broadway

New York

NY 10036

United States of America

Depository:

J.P. Morgan SE - Dublin Branch

200 Capital Dock

79 Sir John Rogerson's Quay

Dublin 2 D02 RK57

Ireland

Registered Office of the ICAV:

70 Sir John Rogerson's Quay

Dublin 2 D02 R296

Ireland

Administrator and Transfer Agent:

J.P. Morgan Administration Services (Ireland) Limited

200 Capital Dock

79 Sir John Rogerson's Quay

Dublin 2 D02 RK57

Ireland

Secretary:

Matsack Trust Limited

70 Sir John Rogerson's Quay

Dublin 2 D02 R296

Ireland

Independent Auditor:

Ernst & Young

Harcourt Centre

Harcourt Street

Dublin 2 D02 YA40

Ireland

Legal Advisers:

Matheson LLP

70 Sir John Rogerson's Quay

Dublin 2 D02 R296

Ireland

Process Agent:

Morgan Stanley Services (UK) Limited

25 Cabot Square

Canary Wharf

London E14 4QA

United Kingdom

Authorised Participant:

Morgan Stanley & Co International plc

25 Cabot Square

Canary Wharf

London E14 4QA

United Kingdom

Paying Agent:

The Bank of New York Mellon SA/NV, London Branch

160 Queen Victoria Street

London EC4V 4LA

United Kingdom

Directors' Report

The Board of Directors (the “Directors”) presents their Annual Report and Audited Financial Statements of Morgan Stanley ETF ICAV (the “ICAV”) for the period from 15 October 2024 to 31 December 2025.

Structure of the ICAV

The ICAV is a variable capital investment corporate body established pursuant to the Irish Collective Asset-Management Vehicles Act 2015, as amended (the “ICAV Act”) and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (the “Central Bank UCITS Regulations”) and is constituted as an umbrella fund with segregated liability between its sub-funds. The ICAV is registered in Ireland.

The objective of the ICAV is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS regulations.

The ICAV was registered on 15 October 2024 with registration number C546445 and authorised by the Central Bank of Ireland (the “Central Bank”) on 17 February 2025.

The ICAV currently has one sub-fund, Garnet US Treasury Bond 1-3 Year UCITS ETF (the “Sub-Fund”), which was authorised by the Central Bank on 17 February 2025 and commenced operations on 18 March 2025.

The ICAV has appointed MSIM Fund Management (Ireland) Limited as its manager (the “Manager”).

The Manager has appointed J.P. Morgan Administration Services (Ireland) Limited (the “Administrator”) as the administrator.

The ICAV has appointed J.P. Morgan SE – Dublin Branch (the “Depositary”) to act as the depositary of the ICAV’s assets.

As at 31 December 2025, the share class of the Sub-Fund was listed on Euronext Dublin and Euronext Amsterdam.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the directors’ report and the financial statements in accordance with applicable law and the ICAV Act, the UCITS Regulations and International Financial Reporting Standards (“IFRS”), as adopted by the European Union.

Section 116 of the ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

The Directors are responsible for ensuring that accounting records as outlined in Sections 109-113 of the ICAV Act are kept by the ICAV. To achieve this, the ICAV have employed J.P. Morgan Administration Services (Ireland) Limited as administrator of the ICAV (the “Administrator”). The accounting records are maintained at the offices of the Administrator at 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin 2, D02 RK57, Ireland.

Pursuant to the ICAV Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the ICAV and of its changes in net assets attributable to shareholders for that financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the ICAV Act; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Sub-Fund will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Directors' Report (cont'd)

Statement of Directors' Responsibilities (continued)

The Directors are also responsible for safeguarding the assets of the ICAV and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations, and the Central Bank UCITS Regulations, the Directors are required to entrust the assets of the ICAV to the Depositary for safekeeping. In carrying out this duty, the Directors have delegated custody of the ICAV's assets to J.P. Morgan SE – Dublin Branch as Depositary to the ICAV. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

Key performance indicators

The key performance indicators monitored for the Sub-Fund include the performance of the sub-fund and the financial position. The financial position of the ICAV is described in the Financial Statements on page 18.

Transactions with Connected Persons

Regulation 43 of the Central Bank UCITS Regulations ("Restrictions of transactions with connected persons") states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the shareholders of the UCITS".

As required under Regulation 81(4) of the Central Bank UCITS Regulations, the Manager, as the responsible person, is satisfied that: there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with a connected person; and all transactions with connected persons that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

Corporate Governance Statement

The ICAV is subject to corporate governance practices imposed by:

- (i) The ICAV Act, which is available for inspection at the registered office of the ICAV, and may also be obtained at <http://www.irishstatutebook.ie>;
- (ii) The Instrument of Incorporation of the ICAV which is available for inspection at the registered office of the ICAV at 70 Sir John Rogerson's Quay, Dublin 2, Ireland; and
- (iii) The Central Bank in their UCITS Regulations which can be obtained from the Central Bank's website at www.centralbank.ie and are available for inspection at the registered office of the ICAV.

From the establishment of the ICAV, the Directors voluntarily adopted and applied the Irish Funds Corporate Governance Code (the "IF Code") for Irish domiciled collective investment schemes issued in December 2011. The IF Code reflects existing corporate governance practices imposed on Irish authorised collective investment schemes and is available on request from the ICAV Secretary.

Results and Distributions

The results for the period are presented on page 19 of the financial statements. There were no distributions declared during the period end 31 December 2025.

Activities and Business Review

A detailed review of the ICAV's activities for the period ended 31 December 2025 in compliance with S.118(5)(a) of the ICAV Act is included in the Investment Manager's Report.

Directors' Report (cont'd)

Risk Management Objectives and Policies

The principal risks and uncertainties faced by the Sub-Fund relate primarily to the holding of financial instruments and markets in which the Fund invests. The most significant types of financial risk to which the Fund is exposed are market risk, credit risk and liquidity risk. Market risk includes price risk, currency risk and interest rate risk. Details of the risks associated with financial instruments are included in Note 5 to the financial statements in compliance with S.118(5)(d)(i) of the ICAV Act.

Directors' and Secretary's interests in shares of the ICAV

None of the Directors, the Secretary, or their families had an interest in the shares of the ICAV during the period or as at 31 December 2025.

There were no contracts or agreements of any significance in relation to the business of the ICAV in which the Directors had any interest, as defined in the ICAV Act, at any time during the period.

Soft commissions

There have been no soft commission arrangements affecting the ICAV during the period ended 31 December 2025.

Employees

The ICAV had no employees during the period ended 31 December 2025.

The Sustainable Finance Disclosure Regulation ("SFDR") and Taxonomy Regulation

The SFDR and Taxonomy Regulation disclosures relating to the environmental or social characteristics of the ICAV can be found on page 36 of these financial statements.

Independent Auditor

In accordance with Section 125 of the ICAV Act, Ernst & Young were appointed as the ICAV's Independent Auditor and expressed their willingness to continue in office.

Future Developments

The ICAV will continue to act as an investment vehicle as set out in the Prospectus.

Significant events during the period

Refer to Note 20 for significant events during the period.

Significant events after the period end

Refer to Note 21 for significant events after the period end.

Going Concern

These financial statements have been prepared on a going concern basis as the Directors have made an assessment of the Sub-Fund's ability to continue as a going concern and are satisfied that the Sub-Fund has the resources to continue for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern and therefore, the Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of the Sub-Fund.

Directors’ Report (cont’d)

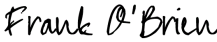
Relevant Audit Information

So far as the Directors are aware, there is no relevant audit information of which the ICAV’s auditors are unaware and the Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the ICAV’s auditors are aware of that information.

On behalf of the Board of Directors

DocuSigned by:

59613AF2DDF9402...
Director
21 April 2026

DocuSigned by:

645DAA4D2FG844F...
Director
21 April 2026

Investment Manager’s Report

Garnet US Treasury Bond 1-3 Year UCITS ETF

Investment Objective:

The Sub-Fund’s investment objective is to track the performance of the Bloomberg US Treasury 1-3 Year Index (the “Benchmark Index”) as closely as possible, while seeking to minimise as far as possible the tracking error between the Sub-Fund’s performance and that of the Benchmark Index.

Fund Performance:

For the financial reporting period from 18 March 2025 (date of launch of Sub-Fund) to 31 December 2025, the Sub-Fund generated a total net return of 3.73% and a total gross return of 3.87%, compared with a 3.92% return for the Benchmark Index. The Sub-Fund tracked the Benchmark Index in line with expectations throughout the Reporting Period, while remaining fully compliant with its investment guidelines and minimising tracking error.

Sub-Fund	Index Tracked	Tracking Error (Actual)	Anticipated Tracking Error
Garnet US Treasury Bond 1-3 Year UCITS ETF	Bloomberg U.S. Treasury 1–3 Year Index	0.05%	0.1%

The realised divergence with the anticipated level of tracking error relates to the effectiveness of the Sub-Fund’s optimised physical replication strategy.

Market Summary & Market Outlook:

U.S. Treasury markets experienced elevated volatility over the period, with the yield curve alternating between steepening and flattening and with meaningful shifts in absolute yield levels across the curve. This volatility was driven by several factors including the rapid repricing of expectations for the timing and magnitude of policy rate cuts, changing inflation expectations, and revisions to labor market data. Despite these conditions, the Sub-Fund’s portfolio construction approach was effective in limiting trading activity and portfolio turnover while maintaining close alignment to the Bloomberg U.S. Treasury 1–3 Year Index using a significantly smaller set of holdings.

Looking ahead into 2026, we expect volatility may moderate as greater clarity emerges around tariff policy and other macro policy uncertainties. However, markets are likely to remain sensitive to incoming data and central bank communications as the path and pace of potential rate cuts becomes clearer.

Morgan Stanley Investment Management Limited
April 2026

Report of the Depositary to the Shareholders

We, J.P. Morgan SE - Dublin Branch, appointed Depositary to Morgan Stanley ETF ICAV (the “ICAV”) provide this report solely in favour of the shareholders of the ICAV for the period from 15 October 2024 to 31 December 2025 (the “Accounting Period”).

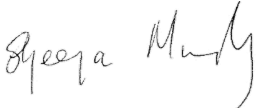
This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (“UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or to any other person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the ICAV for the Accounting Period and we hereby report thereon to the shareholders of the ICAV as follows;

We are of the opinion that the ICAV has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documents and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documents and the UCITS Regulations.

For and on behalf of



J.P. Morgan SE - Dublin Branch
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2, D02 RK57
Ireland

21 April 2026



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the sub-fund of Morgan Stanley ETF ICAV ("the ICAV") for the period from 15 October 2024 to 31 December 2025, which comprise the financial statements of Garnet US Treasury Bond 1-3 Year UCITS ETF (the "Sub-Fund").

The financial statements of the Sub-Fund comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow, Schedule of Investments and Notes to the financial statements, including the material accounting policy information set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Sub-Fund as at 31 December 2025 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV (CONTINUED)

Conclusions relating to going concern

in auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Sub-Fund's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of management's going concern assessment process and also engaging with management to understand the key factors which were considered in their assessment;
- obtaining management's going concern assessment, which covers at least 12 months from the date of approval of the financial statements;
- reviewing and evaluating the reasonability of the key factors considered by management in making their assessment of going concern including consideration of the availability of liquid assets to meet ongoing operational costs and known future capital activity in the Sub-Fund. In assessing these, we obtained and reviewed the liquidity terms which the Sub-Fund offers to investors together with reviewing post year-end capital activity and enquiring of management as to whether there are any subsequent events, including performance, that might give rise to conditions which could lead management to discontinue the operations of the Sub-Fund.
- reviewing the Sub-Fund's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Sub-Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Sub-Fund's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Shape the future
with confidence

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV
(CONTINUED)**

Key audit matters (continued)

Risk	Our response to the risk	Key observations
Valuation of financial assets at fair value through profit or loss We have considered valuation of financial assets at fair value through profit or loss of USD 22,617,289 for the Sub-Fund as a key audit matter as it is a key driver of the performance and net asset value. Please refer to Note 2(c) – Financial Instruments, Note 4 – Net gains/(losses) on financial assets at fair value through profit or loss and Note 6 - Fair Value Measurement in the financial statements.	1. We obtained the listing of financial assets measured at fair value through profit or loss as of 31 December 2025 from the administrator. 2. We assessed the reasonableness of the valuation of all such financial assets: i. Gained an understanding of, and evaluated, the key controls that were implemented over the valuation process for these instruments. ii. Compared the recorded values to quoted market prices or independent vendor prices, where available. iii. Recalculated fair values of these instruments using industry-standard valuation models and assessing the reasonableness of the assumptions and data inputs applied by the management in determining the fair value of these instruments.	No issues have been noted from the performance of our procedures over this key audit matter.
Existence of financial assets at fair value through profit or loss We have considered existence of financial assets at fair value through profit or loss of USD 22,617,289 for the Sub-Fund as a key audit matter as it is a key driver of the performance and net asset value. Please refer to Note 2(c) – Financial Instruments, Note 4 – Net gains/(losses) on financial assets at fair value through profit or loss and Note 6 - Fair Value Measurement in the financial statements.	1. We obtained the listing of financial assets measured at fair value through profit or loss as of the period-end from the administrator. 2. Assessed the reasonableness of the existence of all such financial assets: i. Obtained an understanding of, and evaluated, the key controls that were implemented over the investment reconciliation process for these instruments. ii. Obtained independent confirmations directly from the depository for each instrument that is held at the period-end. iii. Investigated any material differences that were identified during the confirmation process to validate the existence of these instruments.	No issues have been noted from the performance of our procedures over this key audit matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV (CONTINUED)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Sub-Fund to be 0.5% (USD 114,101) of the Sub-Fund's Net Asset Value as at 31 December 2025. We believe that this materiality basis provides us with appropriate measurement basis since the users of the financial statements may focus more on this than on earnings.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the ICAV's overall control environment, our judgement was that performance materiality was 50% (USD 57,051) of our planning materiality. We have set performance materiality at this percentage due to our knowledge of the Sub-Fund and the industry, our past history with the entity, the effectiveness of its control environment and our assessment of the risks associated with the engagement.

Reporting threshold

Reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of 5% (USD 5,705) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the ICAV. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the ICAV and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV (CONTINUED)

Explanation to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedures will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the ICAV and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the ICAV and determined that the most significant are the Irish Collective Asset-management Vehicles Act 2015, the Undertaking for Collective Investment in Transferable Securities pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.
- We understood how Morgan Stanley ETF ICAV is complying with those frameworks by updating our understanding of the system of internal controls in place. We also considered the existence of independent service providers, proper segregation of duties and the regulated environment in which the ICAV operates, which may reduce opportunities for fraud to take place.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by management override of controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries to those charged with governance into possible instances of non-compliance with laws and regulations, a review of board meeting minutes during the year and obtaining representation from management.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN STANLEY ETF ICAV (CONTINUED)

Other matters which we are required to address

We were appointed by the Board of Directors on 26 November 2025 to audit the financial statements for the year ending 31 December 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 year.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the ICAV and we remain independent of the ICAV in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the ICAV's members, as a body, in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'Ernst & Young' in black ink.

Ernst & Young

Dublin, 28 April 2026



Shape the future
with confidence

The audit opinion below is issued in accordance with Auditing Standards Generally Accepted in the United States ("GAAS") to enable the financial statements to be used for exemption from the United States Securities and Exchange Commission ("US SEC") Custody Rule.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MORGAN STANLEY ETF ICAV

Opinion

We have audited the financial statements of Garnet US Treasury Bond 1-3 Year UCITS ETF (the "Sub-Fund") of Morgan Stanley ETF ICAV ("the ICAV"), which comprise the Statement of Financial Position as at 31 December 2025, and the related Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and Schedule of Investments for the period from 15 October 2024 to 31 December 2025, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Sub-Fund at 31 December 2025, and the results of its operations, changes in equity and its cash flows for the period from 15 October 2024 to 31 December 2025, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the ICAV and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by European Union, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Sub-Fund's ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MORGAN STANLEY ETF ICAV (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICAV's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sub-Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A stylized, handwritten-style signature of 'Ernst & Young' in dark blue ink.

Ernst & Young

Dublin, 28 April 2026

Garnet US Treasury Bond 1-3 Year UCITS ETF

Statement of Financial Position	Note	31 December 2025 ¹ USD
Current Assets:		
Financial assets at fair value through profit or loss		
Transferable securities	6	22,617,289
Cash and cash equivalents	10	87,389
Receivables		
Sale of securities awaiting settlement	2(n)	1,135,030
Interest receivable		199,167
Total Current Assets		24,038,875
Current Liabilities:		
Payables		
Purchase of securities awaiting settlement	2(m)	1,216,336
Investment management fees payable		2,321
Total Current Liabilities		1,218,657
Equity:		
Net asset value attributable to shareholders		22,820,218
Total Equity		22,820,218
Total Equity and Liabilities		24,038,875

¹The Sub-Fund launched on 18 March 2025, hence no comparative data is available.

The accompanying notes are an integral part of the financial statements.

On behalf of the Board of Directors

DocuSigned by:

Eve Finn

50613AF2DDF9402...

Director

21 April 2026

DocuSigned by:

Frank O'Brien

645DAA4D2FC844F...

Director

21 April 2026

Garnet US Treasury Bond 1-3 Year UCITS ETF

		Period ended 31 December 2025 ¹ USD
Statement of Comprehensive Income	Note	
Operating Income:		
Interest income from investments	2(f)	682,182
Bank interest income		9,538
Net gains on financial assets/liabilities at fair value through profit or loss	4	158,866
Total Investment Income		850,586
Operating Expenses:		
Investment management fees		(30,368)
Total Operating Expenses		(30,368)
Net Operating Profit		820,218
Increase in Net Assets Attributable to Shareholders from Operations		820,218

¹The Sub-Fund launched on 18 March 2025, hence no comparative data is available.

There are no recognised gains or losses arising in the period other than those dealt in the Statement of Comprehensive Income. In arriving at the results of the financial period, all amounts relate to continuing operations.

The accompanying notes are an integral part of the financial statements.

Garnet US Treasury Bond 1-3 Year UCITS ETF

	Period ended 31 December 2025 ¹ USD
Statement of Changes in Equity	
Net assets attributable to shareholders at the Beginning of the Period	–
Increase in net assets attributable to shareholders from operations	820,218
Share Transactions:	
Proceeds from issue of shares	22,000,000
Increase in Net Assets Resulting from Share Transactions	22,000,000
Net Assets Attributable to Shareholders at the End of the Period	22,820,218

¹The Sub-Fund launched on 18 March 2025, hence no comparative data is available.
The accompanying notes are an integral part of the financial statements.

Garnet US Treasury Bond 1-3 Year UCITS ETF

	Period ended 31 December 2025 ¹ USD
Statement of Cash Flows	
Cash Flows from Operating Activities:	
Increase in net assets attributable to shareholders from operations	820,218
<i>Adjustment for:</i>	
Interest income	(691,720)
Total	128,498
Change in financial assets at fair value through profit or loss	(22,617,289)
Change in other receivables	(1,135,030)
Change in other payables	1,218,657
	(22,405,164)
Interest received	492,553
Net Cash Used in Operating Activities	(21,912,611)
Cash Flows from Financing Activities:	
Proceeds from issue of shares	22,000,000
Net Cash Provided by Financing Activities	22,000,000
Net Increase in Cash and Cash Equivalents	87,389
Cash and cash equivalents at the beginning of the year	—
Cash and Cash Equivalents at the End of the Year	87,389

¹The Sub-Fund launched on 18 March 2025, hence no comparative data is available.

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

1. Organisation

Morgan Stanley ETF ICAV (the “ICAV”) is an Irish collective asset-management vehicle established under the laws of Ireland pursuant to the Irish Collective Asset-Management Vehicles Act 2015, as amended (the “ICAV Act”) and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (the “Central Bank UCITS Regulations”).

The ICAV is structured as an umbrella fund with segregated liability between sub-funds. The Directors may from time to time, with the prior approval of the Central Bank, create different series of shares effected in accordance with the requirements of the Central Bank representing separate portfolios of assets, each such series comprising a sub-fund. Within each sub-fund, the Directors may from time to time create different share classes in accordance with the requirements of the Central Bank. Each sub-fund will bear its own liabilities and, under Irish law, none of the ICAV, any of the service providers appointed to the ICAV, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a sub-fund in satisfaction of a liability of any other sub-fund.

The ICAV was established on 15 October 2024 and approved by the Central Bank on 17 February 2025. The ICAV’s registered office is 70 Sir John Rogerson’s Quay, Dublin 2, Ireland.

The ICAV has appointed MSIM Fund Management (Ireland) Limited as its manager (the “Manager”).

At 31 December 2025, the ICAV consisted of one sub-fund, Garnet US Treasury Bond 1-3 Year UCITS ETF (the “Sub-Fund”), in operation and has one share class in issue as set out in Note 7.

The Sub-Fund aims to track the performance of the Bloomberg US Treasury 1-3 Year Index as closely as possible, while seeking to minimise as far as possible the tracking error between the Sub-Fund’s performance and that of the benchmark index. The Sub-Fund may invest in short-term government bonds issued by the US Treasury that are released during a calendar month and which are expected to be added as constituents of the benchmark index at month-end.

Effective 20 March 2025, the Share Class USD (Dist) Re-Invest started trading on Euronext Dublin and Euronext Amsterdam.

2. Material Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations.

The financial statements have been prepared on a going concern basis which assumes that the Sub-Fund within the ICAV will continue in its operational existence for the foreseeable future. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The Directors have concluded that there are no significant judgements within the financial statements. Refer to Note 6 for details in relation to the determination of the fair value of financial instruments.

The Directors make estimates and assumptions concerning the future of the ICAV. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

For the ICAV and Sub-Fund, the period ended 31 December 2025 is the first annual reporting cycle, and therefore there are no comparatives in the financial statements.

(b) New standards and amendments to existing standards

(i) New standards, amendments and interpretations issued but not yet effective and not early adopted

The ICAV has not early adopted any of the below forthcoming standards and amendments to standards in preparing these financial statements. The list only includes standards and amendments to standards that might have an impact to the ICAV’s financial position, performance, presentation and/or disclosures based on its current activities and financial instruments. The ICAV is still assessing the impact of the forthcoming standards and amendments.

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (Effective: Beginning on or after 1 January 2026)

Notes to Financial Statements (cont'd)

2. Material Accounting Policies (continued)

(b) New standards and amendments to existing standards (continued)

(i) New standards, amendments and interpretations issued but not yet effective and not early adopted (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements (Effective: Beginning on or after 1 January 2027)

(c) Financial Instruments

(i) Classification and recognition

A financial asset or liability is classified as being measured at: amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification of a financial asset or liability is based on the business model in which the financial asset or liability is managed and on its contractual cash flow characteristics.

Investments in debt instruments are managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and make decisions. As a result, debt instruments are measured at fair value through profit or loss.

All other financial assets and liabilities including cash, cash equivalents, receivables and payables are classified as being measured at amortised cost. Measurement at amortised cost takes into account any premium or discount on acquisition as well as transaction costs and fees that are an integral part of the effective interest rate. The application of the expected credit loss model ("ECL") does not materially impact the carrying amounts of these financial assets because they are short-term with high credit quality, resulting in an ECL provision that is immaterial and the carrying amount approximate fair value.

(ii) Initial measurement

Financial assets at fair value through profit or loss are initially recognised at fair value which equates to cost at the date of recognition. All transaction costs for such instruments are recognised directly in the Statement of Comprehensive Income as incurred.

A purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

(iii) Subsequent measurement

Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are re-measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the reporting date.

If a quoted market price in an active market is not available on a recognised stock exchange or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the period end date applicable for an instrument with similar terms and conditions (such as government bonds). Where other pricing models are used, inputs are based on market data at the period end date.

(v) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired or the ICAV has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when the obligation specified in the contract has been discharged, cancelled or expired.

Realised gains or losses on disposals of investments during the period and unrealised gains and losses on valuation of investments held at the period end are recognised in the net gains on financial assets/liabilities at fair value through profit or loss line in the Statement of Comprehensive Income.

Notes to Financial Statements (cont'd)

2. Material Accounting Policies (continued)

(d) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the ICAV are measured in the currency of the primary economic environment in which the Sub-Fund operate (the “functional currency”). The financial statements of the ICAV are presented in US Dollar (“USD”), which is the functional and presentation currency of the ICAV.

(ii) Transactions and balances

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the closing rate of exchange at the period end date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary items, held at fair value through profit or loss are reported as part of the fair value gain or loss.

Reported net realised and unrealised gains and losses arising from foreign currency transactions are recognised in net gains on financial assets/liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

(e) Transaction costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs are incurred on the acquisition or disposal of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers, interest or taxes payable in respect of purchase and sale transactions. Transaction costs related to financial assets or liabilities at fair value through profit or loss are expensed immediately when incurred. Refer to Note 4 for further details.

(f) Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

(g) Participating shares

The Sub-Fund has issued participating shares which allow the Corporate Investor (or an Authorised Participant) to repurchase or redeem their fund units for cash or in-kind at the discretion of the directors of the ICAV. The participating shares meet the definition of an equity instrument under IAS 32 and therefore presented as equity in the Statement of Financial Position.

(h) Fees and expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

(i) Distribution Policy

The Sub-Fund may issue shares which are either distributing shares or accumulating shares. Distributions of dividends will be made out of the profits of the Sub-Fund, being 100% of the net investment income return (i.e., income from dividends, interest or otherwise, less its accrued expenses), and/or realised and unrealised capital gains net of realised and unrealised losses, for the relevant period, in accordance with the terms of the prospectus. The profits attributable to the accumulating shares in the sub-fund shall be retained within the sub-fund and will be reflected in the net asset value of the accumulating shares. Dividends for the distributing share classes may be declared and paid annually in month of December.

The directors may from time to time determine to apply an equalisation formula in respect to any distributing share class for any period in which it is expected that subscriptions and/or redemptions might have an impact on the net investment income and/or net realised and unrealised capital gains which would otherwise be available for distribution. In such circumstances, the subscription price of the relevant distributing share class will be deemed to include an equalisation amount which represents a portion of the accrued income and net capital gains of the relevant class up to the point of subscription, and the first distribution in respect of those distributing share class will include such equalisation amount. The redemption price of each such share will also include an equalisation payment in respect of the accrued income of the Sub-Fund up to the dealing day on which the relevant shares are redeemed.

As at 31 December 2025, the Sub-Fund had one share class in issue, namely Class USD (Dist) Re-invest.

Distributions of dividends will be made on a discretionary basis.

There were no distributions declared as at 31 December 2025.

Notes to Financial Statements (cont'd)

2. Material Accounting Policies (continued)

(j) Withholding tax and capital gains tax

Dividends, interest and capital gains received by the ICAV may be subject to taxes imposed in the country of origin, and such taxes may not be recoverable by the ICAV, which is shown separately in the Statement of Comprehensive Income.

(k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

(l) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(m) Purchase of securities awaiting settlement

Purchase of securities awaiting settlement are securities purchased that have been contracted for but not yet delivered by the period end.

(n) Sale of securities awaiting settlement

Sale of securities awaiting settlement are securities sold that have been contracted for but not yet delivered by the period end.

(o) Segment Reporting

An operating segment is a component of the ICAV that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the ICAV's other components, whose operating results are regularly reviewed to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. The Sub-Fund is operating as one operating segment which is investing in line with its investment objective. Refer to Note 12 regarding information about each segment revenue.

3. Taxation

Under current law and practice the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA") so long as the ICAV is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

The Irish exit tax regime which is ordinarily applicable to an 'investment undertaking' does not apply to an 'investment undertaking', such as the ICAV, which is an ETF, provided the shares of the ICAV remain held in a clearing system that is recognised by the Irish Revenue Commissioners (the "Recognised Clearing System"). As a result, the ICAV will not be obliged to account for any Irish exit tax (or other Irish tax) in respect of the shares. Accordingly, the obligation falls on the Investor (rather than the ICAV) to self-account for any tax arising on a chargeable event.

If the shares cease to be held in such a Recognised Clearing System, the ICAV becomes liable to account for tax on a chargeable event. The ICAV shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of shares held by the Investor as is required to meet the amount of tax.

On 1 January 2024, the European Commission "Pillar Two" rules entered into effect establishing a fifteen percent minimum effective taxation for large multinational companies in EU Member States. Pillar Two rules became effective for large businesses with accounting periods beginning on or after 31 December 2023. The ICAV does not come within scope of Pillar Two rules for the reporting cycle.

4. Net gains/(losses) on financial assets/liabilities at fair value through profit or loss

	Period ended 31 December 2025 ¹ USD
Net realised gains on investments	31,411
Net change in unrealised gains on investments	127,455
Total	158,866

¹ The Sub-Fund launched on 18 March 2025, hence no comparative data is available.

5. Financial Risk Management

Investment strategy

MSIM Fund Management (Ireland) Limited acted as the Manager pursuant to the Management Agreement.

In pursuing its investment objective, the Sub-Fund is exposed to a variety of risks: market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk that could result in a reduction in the Sub-Fund's net assets.

Morgan Stanley Investment Management Limited (the "Investment Manager") is responsible for identifying and controlling risks. The Manager supervises the Investment Managers in-

Notes to Financial Statements (cont'd)

5. Financial Risk Management (continued)

cluding its delegates and the Board of Directors holds ultimate responsibility for the overall risk management of the Sub-Fund.

The nature and extent of the financial instruments held at the reporting date and the risk management policies employed by the Sub-Fund are discussed below.

Risk management structure

The Investment Managers are responsible for the day to day monitoring and ensuring management of the key risks identified by the Sub-Fund. This function is overseen by the Manager through the provision of exception and periodic reports.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

Global Exposure

The Sub-Fund's global exposure and leverage will be calculated using the commitment approach and the Sub-Fund's global exposure will not exceed 100% of Net Asset Value.

(i) Price Risk

Price risk arises mainly from the uncertainty about the future prices of financial instruments held, it represents the potential loss the Sub-Fund may suffer through holding market positions in the face of price movements. The Sub-Fund's market price risk is managed through diversification of the investment portfolio, as permitted by the Sub-Fund's investment objective and policy and as shown in the Sub-Fund's Schedule of Investments.

The table below summarises the sensitivity of the Sub-Fund's net assets attributable to shareholders to market price movements. It shows the increase/(decrease) in the net assets attributable to shareholders of the Sub-Fund given a 5% movement in the fair value of investments at financial period end, with all other variables held constant:

	Currency	31 December 2025
Garnet US Treasury Bond 1-3 Year UCITS ETF	USD	1,130,864

(ii) Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In accordance with the Sub-Fund's

policy, the Investment Manager monitors and reviews the Sub-Fund's foreign exchange exposure on a daily basis.

There is no foreign currency exposure for the Sub-Fund as at 31 December 2025. All assets are denominated in US Dollars, the base currency of the Sub-Fund.

(iii) Interest Rate Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in interest rates may adversely affect the market value of some of the Sub-Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

In the event of a general rise in interest rates, the value of certain investments that may be contained in the Sub-Fund's investment portfolio may fall, reducing the NAV of the Sub-Fund. Fluctuation in rates may affect interest rate spreads in a manner adverse to the Sub-Fund. The majority of the Sub-Fund's financial assets are cash and debt securities.

Any excess cash and cash equivalents are usually invested at short-term market interest rates. Cash not held on term deposit does not have a material impact to interest rate risk.

The Sub-Fund interest rate risk as at 31 December 2025 is analysed in the table below.

	Up to 1 year USD	1 to 5 years USD	Non- Interest bearing USD	Total USD
Garnet US Treasury Bond 1-3 Year UCITS ETF				
Assets				
Cash and cash equivalents	87,389	–	–	87,389
Financial assets at fair value through profit or loss	–	22,617,289	–	22,617,289
Receivables	–	–	1,334,197	1,334,197
Total Assets	87,389	22,617,289	1,334,197	24,038,875
Liabilities				
Payables	–	–	(1,218,657)	(1,218,657)
Total Liabilities	–	–	(1,218,657)	(1,218,657)

At 31 December 2025, based on the modified duration of the Sub Fund's fixed income investments, a parallel shift of ± 100 basis points in market interest rates would have resulted in an increase or decrease in net assets attributable to shareholders of approximately USD 434,400, with all other variables held constant.

Notes to Financial Statements (cont'd)

5. Financial Risk Management (continued)

(b) Credit Risk

Credit risk refers to the risk of loss arising when a borrower, counterparty or obligor is unable to meet its financial obligations. The Sub-Fund will be exposed to the credit risk of the Depositary or any sub-custodian used by the Depositary where assets of the Sub-Fund are held by the Depositary or sub-custodians.

Cash held by the Depositary and sub-custodians will be a debt owing from the Depositary or other sub-custodians to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Depositary and/or sub-custodians. In the event of the insolvency of the Depositary or sub-custodians, the Sub-Fund will be treated as a general unsecured creditor of the Depositary or sub-custodians in relation to cash holdings of the Sub-Fund. The Sub-Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Sub-Fund will lose some or all of their cash. The Depositary does not have a credit rating, however, its parent company J.P. Morgan SE has a long-term credit rating from Standard & Poor's of AA-.

The Sub-Fund invests in fixed income securities which are subject to the risk of an issuer's timely ability to meet principal and interest payments on the obligation. All transactions in quoted securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is made in exchange for payment from the broker. Payment is made on a purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's investments are majorly in short-term government bonds whose credit rating are classified as investment grade. The following table summarises the credit rating profile of the government bonds held by the Sub-Fund as at 31 December 2025:

Credit Rating	% of Net Assets 31 December 2025
AA+	99.11%
	<u>99.11%</u>

(c) Liquidity Risk

Liquidity risk is defined as the risk that the Sub-Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Sub-Fund manages its liquidity risk by investing mainly in readily realisable securities. All of the Sub-Fund's financial liabilities are payable in one year or less or on demand. The financial liabilities of the Sub-Fund, all have a contractual maturity date of within one month.

In accordance with the Sub-Fund's policy, the Investment Managers monitors and reviews the Sub-Fund's liquidity position on a daily basis.

Redemption risk arises from investors' ability to redeem units on each dealing day. The Investment Manager monitors net flows, investor concentration and expected redemption time-lines to assess potential liability liquidity needs and to ensure the SubFund maintains sufficient liquid assets to meet redemptions.

(d) Sustainability Risk

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Sub-Fund. Sustainability risks generally revolve around the following factors including but not limited to climate change risks, natural resource risks, pollution and waste risks, human capital risks, community risks and security and safety risks. There could be a negative impact on, or entire loss of, its value where Sustainability risk occurs. A Sustainability risk trend may arise and impact a specific investment or may have a broader impact on an economic sector (e.g. IT or health care), geography (e.g. emerging market) or political region or country. The Manager recognizes that the universe of relevant Sustainability risks will grow and evolve over time. The materiality of such risks and financial impacts on an individual asset and on a Sub-Fund as a whole depends on industry, country, asset class, and investment style. Such Sustainability risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risk and/or opportunities to maximize the long-term returns.

Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which a Sub-Fund is exposed may also be adversely impacted by a sustainability risk. Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability which may cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such scrutiny may also materially impact the

Notes to Financial Statements (cont'd)

5. Financial Risk Management (continued)

(d) Sustainability Risk (continued)

consumer demand for a business’s products and services which may result in a material loss in value of an investment linked to such businesses.

(e) Concentration Risk

The Sub-Fund may at certain times hold large positions in a relatively limited number of investments, sectors or regions and will therefore be subject to the risks associated with such concentration. The Sub-Fund could be subject to significant losses if it holds a relatively large position in a single strategy, currency, issuer, industry, market or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. The Sub-Fund invest predominantly in short-term debt securities issued or guaranteed by the United States Department of Treasury, including Treasury bills and other short-dated government bonds. As a result, the portfolio may be highly concentrated in securities issued by or back by the U.S government. While the securities issued by the United State are generally considered to have minimal credit risk and high liquidity, the Sub-Fund remains exposed to risks associated with this concentration such as changes in U.S interest rates, and changes in fiscal or monetary policy among others. Given the investment strategy of the Sub-Fund, such concentration is expected and is consistent with the investment objectives and policies described in the Prospectus. The Investment Manager assess the risk as part of its regular monitoring and reallocation process.

6. Fair value measurement

The Sub-Fund is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Inputs that are quoted market prices (un-adjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical

or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The ICAV consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets (by level) measured at fair value at 31 December 2025:

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Garnet US Treasury Bond				
1-3 Year UCITS ETF				
Financial assets at fair value through profit or loss:				
Bonds	-	22,617,289	-	22,617,289
Total	-	22,617,289	-	22,617,289

The investments held are highly liquid government bonds. The financial assets and liabilities other than those included above are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Bonds are priced using

Notes to Financial Statements (cont'd)

6. Fair value measurement (continued)

Bloomberg BVAL which is an evaluated model-based price, hence Level 2.

7. Share Capital

The authorised share capital of the ICAV is 500,000,000,002 shares of no par value divided into two subscriber shares of no par value and 500,000,000,000 shares of no par value. The Directors are empowered to issue up to all of the shares of the ICAV on such terms as they think fit. Matsack Trust Limited and Matsack Nominees Limited were each issued one subscriber share of no par value of EUR 1. The subscriber shares do not entitle their holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. The Shares (other than the subscriber shares) entitle the holders to participate equally in the profits and assets of the Sub-Fund to which the shares relate, subject to any differences between fees, charges and expenses applicable to different share classes. The ICAV may from time to time by ordinary resolution increase its capital, consolidate the shares or any of them into a smaller number of shares, sub-divide the shares or any of them into a larger number of shares or cancel any shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law.

	Balance at beginning of period	Issued during the period	Redeemed during the period	Balance at end of period
Garnet US Treasury Bond 1-3 Year UCITS ETF				
Class USD (Dist) Re-Invest	–	220,000	–	220,000

8. Net asset value attributable to shareholders

The NAV per share is calculated by dividing the NAV of the Sub-Fund by the shares in issue at the Statement of Financial Position date, as detailed in the table below:

	31 December 2025	
Garnet US Treasury Bond 1-3 Year UCITS ETF		
Class USD (Dist) Re-Invest		
Net asset value	USD	22,820,218
Shares in issue		220,000
Net asset value per share	USD	103.73

9. Fees and expenses

The fees and expenses payable in respect of a Sub-Fund or Share Class are paid as one single fee which will not exceed the Total expense ratio ("TER").

All the operational expenses of the Sub-Fund will be paid out of the TER which includes, but not limited to, fees and ex-

penses attributable to services provided to the sub-fund by Directors, auditors, legal advisors, Investment Manager, Manager, Administrator, Depositary, Sub-Distributors, paying agents, sub-custodians, Index Providers and other service providers. This also includes formation expenses for the ICAV and any Sub-Fund, such as organisation and registration costs and other expenses as indicated in the prospectus.

The TER does not include extraordinary costs, transaction costs and related expenses, including, but not limited to, transaction charges, stamp duty or other taxes on the investments of the ICAV as indicated in the prospectus which will be paid separately out of the assets of the relevant Sub-Fund.

	31 December 2025
Garnet US Treasury Bond 1-3 Year UCITS ETF	
Class USD (Dist) Re-Invest	0.12% ¹

¹ Effective 1 October 2025 TER changed from 0.20% to 0.12%.

The TER is calculated and accrued daily by reference to the NAV of the Sub-Fund and is payable monthly in arrears to the Manager. Where a Sub-Fund's expenses exceed the applicable TER, the Investment Manager will cover any shortfall from its own assets.

10. Cash and Cash Equivalents

Cash and cash equivalents were held with J.P. Morgan SE - Dublin Branch (the "Depositary") at period end. The Depositary does not have a credit rating, however, its parent company J.P. Morgan SE has a long-term credit rating from Standard & Poor's of AA-.

11. Transaction costs

Transaction costs on debt securities are recognised directly in the Statement of Comprehensive Income as incurred.

There were no separately identifiable transaction costs for debt securities for the period ended 31 December 2025.

12. Operating Segment

IFRS 8 requires certain disclosures in respect of revenues from different geographical areas, which may consist of interest, dividends and net gains/(losses) on financial assets at fair value through profit or loss. Asset allocation decisions are based on investment objective of the Sub-Fund and as such the Sub-Fund's performance is evaluated by reference to the relevant benchmark. The segment information provided to the Manager is the same as that disclosed as at 31 December 2025, in the Statements of Comprehensive Income, Statement of Financial

Notes to Financial Statements (cont'd)

12. Operating Segment (continued)

Position, Statement of Changes in Equity and Schedule of Investments for each Sub-Fund.

The Sub-Funds do not separately monitor revenues from different geographical areas. However, by their nature of outperforming relevant benchmarks which represent specific markets in specific regions, each Sub-Fund's revenue derived from financial assets may be considered as being attributed to the region stated in its investment objective.

The Sub-Fund's investment objective is to track the performance of the Bloomberg US Treasury 1-3 Year Index as closely as possible, as described in Note 1. The securities in which the Sub-Fund invests are short-term government bonds issued by the US Treasury and as a result, the revenue is only generated from that region. The total revenue from investments amounting to USD 850,586 is derived from United States.

13. Related Parties and Connected Persons

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors' fees are paid as per the terms of the prospectus. The Independent Non-Executive Director of the Company, Eve Finn, is entitled to remuneration at an annual rate of EUR 35,000. The connected Non-Executive Directors are not entitled to remuneration.

Frank O'Brien is an employee of MSIM Fund Management (Ireland) Limited and Rowena Mallaghan is an employee of Morgan Stanley Investment Management Limited, both of whom are connected Non-Executive Directors of the ICAV.

MSIM Fund Management (Ireland) Limited (the "Manager"), which acts as Manager and Global Distributor of the ICAV, is considered a related party. The Manager earned fees of USD 30,368 during the period ended 31 December 2025, of which EUR 2,321 was payable at the period end. Morgan Stanley Investment Management Inc. (the "Sub-Investment Manager") and Morgan Stanley Investment Management Limited, in its capacity as Investment Manager, are also related parties to the ICAV. Fees payable to these entities are discharged by the Manager in accordance with the relevant management agreements.

Morgan Stanley Services (UK) Limited, in its capacity as process agent, Morgan Stanley & Co. International plc, as an authorised participant, and Morgan Stanley Seed Holdings Ltd, as the provider of initial seed capital, are all related parties to the ICAV. As at 31 December 2025, seeded capital of USD 22,000,000 had been provided by Morgan Stanley Seed Hold-

ings Ltd. During the period, Morgan Stanley Services (UK) Limited received a one-off fee of £300 for services provided in its capacity as process agent.

J.P. Morgan Administration Services (Ireland) Limited, as the Administrator, and J.P. Morgan SE – Dublin Branch, as Depositary, are connected persons to the ICAV. Fees payable to these entities are charged in accordance with the relevant contractual fee arrangements.

The Bank of New York Mellon, London Branch, acts as Paying Agent to the ICAV and is also considered a related party. During the period ended 31 December 2025, fees of USD 15,000 were earned by the Paying Agent.

14. Efficient Portfolio Management

Subject to the UCITS Regulations and to the conditions and the limits laid down by the Central Bank, the Investment Manager, on behalf of the Sub-Fund may invest in financial derivative instruments dealt on a Regulated Market and/or over the counter (OTC) derivatives which will be used for investment, hedging and/or efficient portfolio management purposes. The financial derivative instruments in which the Sub-Fund may invest shall be set out in the Supplement for the relevant Sub-Fund.

There were no financial derivative instruments held by the Sub-Fund at 31 December 2025.

15. Commitments and contingent liabilities

There were no significant contingent liabilities or commitments at 31 December 2025.

16. Soft Commissions

There have been no soft commission arrangements entered into or directed brokerage fees charged during the period ended 31 December 2025.

17. Auditor's remuneration

The audit fees incurred by the ICAV amounted to EUR 25,750 for the period ended 31 December 2025. The fees are presented exclusive of VAT and are paid by the Manager. These are the only fees paid to the audit firm for the reporting period. No other fees were paid or payable to the auditor in respect of the period ended 31 December 2025.

18. Financial highlights

The Sub-Investment Manager of the ICAV, Morgan Stanley Investment Management Inc., is a registered investment adviser with the Securities and Exchange Commission ("SEC") in the United States. The information included here represents US

Notes to Financial Statements (cont'd)

18. Financial highlights (continued)

generally accepted accounting principles ("US GAAP") equivalent disclosures that are provided in order to enable the Sub-Investment Manager to avail of certain exemptions available to it under the SEC Custody Rule.

Garnet US Treasury Bond 1-3 Year UCITS ETF	Class USD (Dist) Re-Invest
31 December 2025	
Beginning Net Asset Value	\$ 100.00
Income from Investment Operations:	
Net investment income ¹	3.04
Net realised and unrealised gain/(loss) on financial assets	0.69
Total from Investment Operations	3.73
Ending Net Asset Value	\$ 103.73
Total Return²	3.73%
Ratios to Average Net Assets³	
Net expenses	0.17%
Net investment income	3.78%

¹Net investment income per share has been calculated based upon an average of daily shares outstanding (calculation frequency of the net asset value).

²Calculation is based on the value of a single share outstanding throughout the year. It represents the percentage change in the net asset value per share between the beginning and end of the year and assumes reinvestment of distributions, if any, at transaction price.

³The ratio of net investment income to average net assets and ratio of net expenses to average net assets have been annualised for the period.

There is no difference in the NAV per share data and ratio under IFRS or US GAAP.

19. Reconciliation of net asset value attributable to shareholders

There were no differences between the NAV of the Sub-Fund prepared under IFRS and the NAV prepared under US GAAP as at 31 December 2025.

20. Significant events during the period

Effective 20 December 2024, Frank O'Brien, Eve Finn and Rowena Mallaghan were appointed as Director of the ICAV.

Ernst & Young (EY), Chartered Accountants, were appointed by the Board as independent auditor of the ICAV on 13 February 2025.

On 17 February 2025, a prospectus was issued for the ICAV and a supplements for the Sub-Funds.

Effective 17 February 2025, the following companies were appointed in respect of the ICAV:

- MSIM Fund Management (Ireland) Limited as the Manager.

- Morgan Stanley Investment Management Limited as the Investment Manager.
- Morgan Stanley Investment Management Inc as Sub-Investment Manager.
- J.P. Morgan SE - Dublin Branch as the Depositary; and
- J.P. Morgan Administration Services (Ireland) Limited as the Administrator.

Effective 21 February 2025, Morgan Stanley & Co. International PLC was appointed as Authorised Participant.

Effective 24 February 2025, Morgan Stanley Seed Holdings Ltd was appointed as Subscriber of initial capital.

Effective 3 March 2025, Morgan Stanley Investment Management Limited was appointed as Sub-Distributor and 15 May 2025, Morgan Stanley Services (UK) Limited was appointed as Process Agent.

Effective 18 March 2025, Garnet US Treasury Bond 1-3 Year UCITS ETF commenced trading with the launch of Share Class USD (Dist) Re-Invest.

Effective 20 March 2025, the Share Class USD (Dist) Re-Invest started trading on Euronext Dublin and Euronext Amsterdam.

On 1 October 2025, a supplement was issued for the Sub-Fund to incorporate changes to TER from 0.20% to 0.12%.

Other than above there were no other significant events during the period.

21. Significant events after the period end

The Management Company is monitoring the war in Iran and increased tensions in the Middle East and its impact on the regional economy, as well as on other world economies and the financial markets. The rate of economic growth, elevated geopolitical uncertainty, as well as central bank actions have impacted and could continue to impact capital markets.

Other than above, there are no significant events after 31 December 2025 to the date the financial statements were approved by the Directors which require adjustment or disclosure in the financial statements.

22. Approval of the financial statements

The Directors approved the financial statements on 21 April 2026.

Schedule of Investments as at 31 December 2025

Garnet US Treasury Bond 1-3 Year UCITS ETF

		Fair Value	% of Net Asset Value	Analysis of total assets	% of Total Assets
Investments	Holding	USD		Transferable securities admitted to an official stock exchange listing	94.09
				Other assets	5.91
				Total assets	100.00
Transferable securities					
Bonds					
Government Bonds					
United States					
US Treasury, 1.50%, 31/01/2027	674,000	659,691	2.89		
US Treasury, 4.13%, 31/01/2027	983,000	989,317	4.34		
US Treasury, 4.13%, 28/02/2027	989,000	995,703	4.36		
US Treasury, 3.88%, 31/03/2027	559,000	561,478	2.46		
US Treasury, 3.75%, 30/04/2027	524,000	525,678	2.30		
US Treasury, 2.38%, 15/05/2027	924,000	910,122	3.99		
US Treasury, 4.50%, 15/05/2027	546,000	553,273	2.43		
US Treasury, 3.88%, 31/05/2027	332,000	333,718	1.46		
US Treasury, 3.75%, 30/06/2027	292,000	293,135	1.29		
US Treasury, 4.38%, 15/07/2027	885,000	896,823	3.93		
US Treasury, 3.88%, 31/07/2027	166,000	166,982	0.73		
US Treasury, 2.25%, 15/08/2027	1,022,000	1,002,279	4.39		
US Treasury, 3.75%, 15/08/2027	991,000	995,239	4.36		
US Treasury, 3.63%, 31/08/2027	450,000	451,002	1.98		
US Treasury, 4.13%, 15/11/2027	834,000	843,627	3.70		
US Treasury, 4.25%, 15/01/2028	831,000	843,335	3.70		
US Treasury, 0.75%, 31/01/2028	41,000	38,769	0.17		
US Treasury, 2.75%, 15/02/2028	102,000	100,478	0.44		
US Treasury, 4.25%, 15/02/2028	982,000	997,152	4.37		
US Treasury, 1.13%, 29/02/2028	1,075,000	1,022,594	4.48		
US Treasury, 1.25%, 31/03/2028	1,075,000	1,023,350	4.48		
US Treasury, 3.75%, 15/04/2028	1,000	1,005	0.01		
US Treasury, 1.25%, 30/04/2028	1,072,000	1,018,568	4.46		
US Treasury, 2.88%, 15/05/2028	322,000	317,484	1.39		
US Treasury, 3.75%, 15/05/2028	1,005,000	1,010,614	4.43		
US Treasury, 1.25%, 31/05/2028	1,075,000	1,019,402	4.47		
US Treasury, 1.25%, 30/06/2028	1,000	947	–		
US Treasury, 3.88%, 15/07/2028	738,000	744,342	3.26		
US Treasury, 1.00%, 31/07/2028	1,000	938	–		
US Treasury, 2.88%, 15/08/2028	976,000	960,559	4.21		
US Treasury, 3.63%, 15/08/2028	1,011,000	1,013,686	4.44		
US Treasury, 1.25%, 30/09/2028	122,000	114,785	0.50		
US Treasury, 1.38%, 31/10/2028	178,000	167,723	0.74		
US Treasury, 3.13%, 15/11/2028	1,034,000	1,022,569	4.48		
US Treasury, 3.50%, 15/11/2028	1,022,000	1,020,922	4.47		
United States total		22,617,289	99.11		
Total investments in Government Bonds		22,617,289	99.11		
Total Bonds		22,617,289	99.11		
Total Transferable securities		22,617,289	99.11		
Total financial assets at fair value through profit or loss					
		22,617,289	99.11		
Cash and cash equivalents		87,389	0.38		
Other assets and liabilities		115,540	0.51		
Net asset value attributable to shareholders		22,820,218	100.00		

Statement of Significant Portfolio Changes (unaudited)

Garnet US Treasury Bond 1-3 Year UCITS ETF

Purchases

Holding	Investments	Cost USD
1,709,000	US Treasury 1.50% 31/01/2027	1,647,000
1,047,000	US Treasury 3.75% 15/05/2028	1,044,000
1,035,000	US Treasury 3.75% 31/08/2026	1,030,000
1,034,000	US Treasury 3.13% 15/11/2028	1,024,000
1,022,000	US Treasury 3.50% 15/11/2028	1,021,000
1,017,000	US Treasury 3.63% 15/08/2028	1,018,000
1,075,000	US Treasury 1.25% 31/05/2028	1,007,000
1,072,000	US Treasury 1.25% 30/04/2028	1,002,000
1,075,000	US Treasury 1.25% 31/03/2028	1,000,000
993,000	US Treasury 4.13% 31/10/2026	994,000
989,000	US Treasury 4.13% 28/02/2027	991,000
1,076,000	US Treasury 1.13% 29/02/2028	990,000
999,000	US Treasury 3.50% 30/09/2026	990,000
982,000	US Treasury 4.25% 15/02/2028	988,000
991,000	US Treasury 3.75% 15/08/2027	985,000
983,000	US Treasury 4.13% 31/01/2027	984,000
980,000	US Treasury 4.25% 31/12/2026	983,000
1,022,000	US Treasury 2.25% 15/08/2027	982,000
975,000	US Treasury 4.25% 15/01/2028	981,000
975,000	US Treasury 4.25% 30/11/2026	978,000
974,000	US Treasury 4.13% 15/11/2027	976,000
976,000	US Treasury 2.88% 15/08/2028	958,000
937,000	US Treasury 4.38% 31/07/2026	940,000
934,000	US Treasury 0.75% 31/05/2026	897,000
931,000	US Treasury 0.75% 30/04/2026	897,000
925,000	US Treasury 2.00% 15/11/2026	895,000
924,000	US Treasury 2.38% 15/05/2027	893,000
885,000	US Treasury 4.38% 15/07/2027	892,000
822,000	US Treasury 0.75% 31/03/2026	794,000
738,000	US Treasury 3.88% 15/07/2028	738,000
559,000	US Treasury 3.88% 31/03/2027	559,000
548,000	US Treasury 4.88% 31/05/2026	553,000
546,000	US Treasury 4.50% 15/05/2027	551,000
524,000	US Treasury 3.75% 30/04/2027	523,000
450,000	US Treasury 3.63% 31/08/2027	450,000

Sales

Holding	Investments	Proceeds USD
1,035,000	US Treasury 3.75% 31/08/2026	1,033,000
1,035,000	US Treasury 1.50% 31/01/2027	1,004,000
993,000	US Treasury 4.13% 31/10/2026	997,000
999,000	US Treasury 3.50% 30/09/2026	996,000
980,000	US Treasury 4.25% 31/12/2026	987,000
975,000	US Treasury 4.25% 30/11/2026	981,000
937,000	US Treasury 4.38% 31/07/2026	939,000
925,000	US Treasury 2.00% 15/11/2026	911,000
934,000	US Treasury 0.75% 31/05/2026	903,000
931,000	US Treasury 0.75% 30/04/2026	902,000
822,000	US Treasury 0.75% 31/03/2026	796,000
548,000	US Treasury 4.88% 31/05/2026	552,000
144,000	US Treasury 4.25% 15/01/2028	146,000
140,000	US Treasury 4.13% 15/11/2027	141,000
118,000	US Treasury 4.63% 30/06/2026	119,000
48,000	US Treasury 0.88% 30/09/2026	47,000
42,000	US Treasury 3.75% 15/05/2028	42,000
6,000	US Treasury 3.63% 15/08/2028	6,000

Statement of Significant Portfolio Changes (unaudited) (cont'd)

Garnet US Treasury Bond 1-3 Year UCITS ETF

Sales (continued)

Holding	Investments	Proceeds USD
3,000	US Treasury 0.88% 30/06/2026	3,000
2,000	US Treasury 0.75% 31/01/2028	2,000

The Central Bank requires a schedule of material changes in the composition of the portfolio during the financial period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no cost from the Administrator.

Report on Remuneration (unaudited)

UCITS 2025 Remuneration Disclosure by Morgan Stanley Fund Management (Ireland) Limited (FMIL) to Morgan Stanley ETF ICAV

1. Legal background

This remuneration disclosure has been prepared as required by, and in accordance with, the guidance provided in (1) EU Commission Recommendation on remuneration policies in the financial services sector (2009/384 EC) dated 30 April 2009; (2) EU Directive 2009/65/EC (as amended by Directive 2014/91/EU) ("the UCITS Directive"); and (3) the European Securities and Markets Authority "Guidelines on sound remuneration policies under the UCITS Directive", (ESMA/2016/575) dated 14 October 2016 ("the "Guidelines") and in particular with section 14.1 (headed "External Disclosure").

The data used in the analysis for this disclosure relates to the financial year ending December 31, 2025 of Morgan Stanley ("the Firm") and to the remuneration of staff of Morgan Stanley Fund Management (Ireland) Limited ("the UCITS Management Company") and its senior management team and other members of its staff whose actions have a material impact on the risk profile of the UCITS it manages or on the UCITS Management Company itself ("Identified Staff").

Sustainable Finance Disclosure Regulation (SFDR) (unaudited)

For the purposes of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation 2019/2088 the investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

MSIM Fund Management (Ireland) Limited
24-26 City Quay
Dublin 2, D02 NY19
Ireland

© 2026 Morgan Stanley. Morgan Stanley Distribution, Inc.