

European Money Market Fund Reform

Updated Transition
Plan Announcement

LIQUIDITY | GLOBAL LIQUIDITY TEAM | 2018

Morgan Stanley Investment Management (MSIM) is pleased to provide the following updated money market fund (MMF) product range and conversion road map.

After carefully taking into consideration client feedback and the evolving market landscape, the below product lineup is anticipated to be offered. Please note that the lineup set out in the below table is subject to final regulatory approval.

Planned MMF Product Spectrum**Conversion Path for Existing Funds**

CURRENCY	EXISTING FUNDS	TO CONVERT TO
USD	USD CNAV Fund	USD LVNAV
USD	USD CNAV Treasury Fund	USD Public Debt CNAV
EUR	EUR CNAV Fund	EUR LVNAV
GBP	GBP CNAV Fund	GBP LVNAV

Proposed New Funds*

CURRENCY	FUND TYPE
USD	USD VNAV (short-term)
USD	USD VNAV (standard)
EUR	EUR VNAV (short-term)
EUR	EUR VNAV (standard)
GBP	GBP VNAV (short-term)

* To be launched subject to client demand

Our new product lineup has been designed to offer our clients:

- Seamless transition to the new regulatory regime
- Comprehensive product range within three currencies
- Consistent intraday liquidity
- Continued operational simplicity
- Targeted conversion date of 14 January 2019

What can I expect around and after the implementation date?

If you are an existing investor in the Morgan Stanley Liquidity Funds, you will be automatically converted to the new structures referenced above. Investors will shortly be asked to vote on updates to the Funds' articles of incorporation. We anticipate a smooth and seamless transition to the new fund structures.

MSIM's product experts and liquidity strategists can assist you in understanding the new regulations and the transition process to the new structures. We are committed to providing you with leading-edge educational materials, information and insights to help you navigate through the new MMF regulations. For more information, please visit www.morganstanley.com/liquidity or contact your MSIM Relationship Manager.

Public Debt Constant Net Asset Value (CNAV) MMF – a MMF qualifying and authorised as a Public Debt CNAV MMF in accordance with MMF Regulation which seeks to maintain a stable NAV and invests 99.5% of its assets in money market instruments issued or guaranteed by sovereign entities, reverse repurchase agreements secured with government debt and cash.

Low Volatility Net Asset Value (LVNAV) MMF - a MMF qualifying and authorised as a LVNAV MMF in accordance with MMF Regulation which seeks to maintain a stable NAV under the condition that the stable NAV does not deviate from the NAV per Share by more than 20 basis points. In case of a deviation of more than 20 basis points between the stable NAV and the NAV per Share, the following redemption or issue of Shares shall be undertaken at a price that is equal to the NAV per Share

Variable Net Asset Value (VNAV) MMF - a MMF qualifying and authorised as a VNAV MMF in accordance with MMF Regulation in which shares are issued or redeemed at a price that is equal to the Fund's NAV per Share.

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