

Morgan Stanley Liquidity Funds

US Dollar Treasury Liquidity Fund (Institutional Select Distributing Share Class)

Investment Objective

To provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital.

Investment Horizon

Targeted for investors with surplus cash deposits who seek liquidity from their investments with same day accessibility.

Investment Process

The Fund will seek to achieve its investment objective by investing in high quality short-term money market instruments, comprising transferable debt securities issued by the United States Government denominated in US dollars, including but not limited to: treasury bills and notes, repurchase agreements, as well as cash deposits.

Investment Team

	JOINED FIRM	YEARS OF INVESTMENT EXPERIENCE
Jonas Kolk, Chief Investment Officer of Global Liquidity	2004	28
Elsa Doyle, Executive Director	1999	20

Team members may be subject to change at any time without notice.

Class IS Shares vs. Index

12 Month Performance Periods to Latest Month End (%)

	JAN '18 - JAN '19	JAN '17 - JAN '18	JAN '16 - JAN '17	JAN '15 - JAN '16	JAN '14 - JAN '15
Class IS Shares	1.73	0.72	0.16	0.00	0.00
FTSE 1 Month Treasury Bill Index	1.92	0.87	0.24	0.03	0.02

Average Annualised Monthly Yield (%)

	JAN 2019	DEC 2018	NOV 2018	OCT 2018	SEP 2018	AUG 2018
Fund (gross)	2.47	2.36	2.24	2.20	2.06	1.97
Fund (net)	2.22	2.11	2.00	1.95	1.81	1.72
FTSE 1 Month Treasury Bill Index	2.49	2.34	2.23	2.15	1.97	1.97

Past performance is not a reliable indicator of future results. The net performance data shown is calculated net of annual fees. The gross performance data shown does not take into account the fees charged on the fund, had fees and charges been taken into account, the returns would have been lower.

LIQUIDITY

FACTSHEET | 31 January 2019

Investors should read the Key Investor Information Document and Prospectus before investing.

CONTACT DETAILS

For further information, please contact your Morgan Stanley Team:

Tel: +44 (0) 207 425 0440
Email: Liquidity.Services@morganstanley.com
Web: www.morganstanley.com/liquidity

Share Class

	CLASS IS
Currency	U.S. dollars
ISIN	LU0875336892
Bloomberg	MSLDLIS LX
CUSIP	L64887455
NAV	\$ 1.00
Valuation	Daily
Settlement	T+0
Dealing Deadline	8.00pm GMT / 3.00pm EST
Dividend Policy	Paid monthly

Fund Facts

Launch Date	Oct 2008
Merger Date ¹	June 2013
Base currency	U.S. dollars
Index	FTSE 1 Month Treasury Bill Index
Total assets	\$ 6.1 billion
Regulatory Regime	UCITS
Domicile	Luxembourg
ESMA Classification	Short Term Money Market Fund
Administrator and Registrar	The Bank of New York Mellon (International), Luxembourg
Investment Manager	Morgan Stanley Investment Management, Inc
Sub-Investment Manager	Morgan Stanley & Co International plc
Distributor	Morgan Stanley Investment Management Ltd
Ratings ²	Aaa-mf, AAAM
	Institutional Money Market Funds Association (IMMFA)

¹ 'Fund launch date' refers to the launch of Morgan Stanley Funds p.l.c. US Dollar Treasury Liquidity Fund, which merged into Morgan Stanley Liquidity Funds on June 17, 2013.

² Moody's, and S&P ratings respectively.

Characteristics

	FUND
WAM	37
WAL	85
Number of holdings	27

Charges (%)

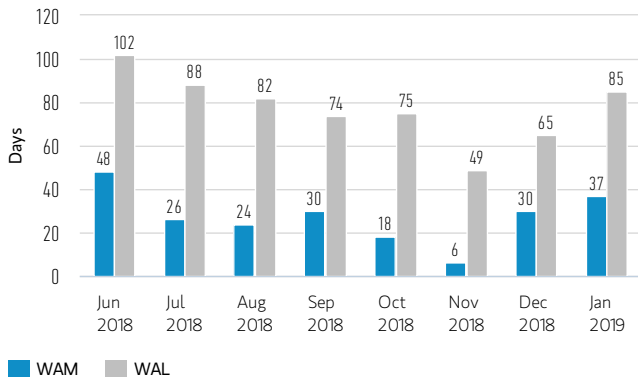
	CLASS IS
Ongoing Charges	0.25
Total Expense Ratio	0.24

Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), trustee/custodian, and administration charges.

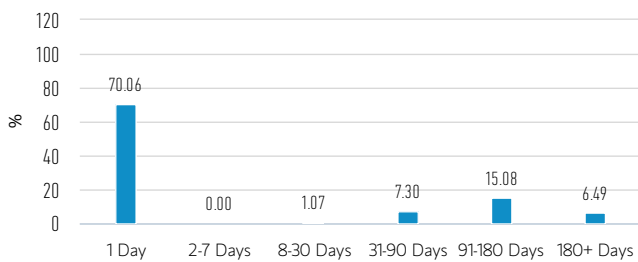
Total expenses (TER) charged to the share class for the current reporting month, calculated net of any waivers and expressed as an annualised percentage of average net assets for the month.

For more information please see the Charges and Expenses section of the prospectus.

Average Portfolio Maturity



Maturity Distribution

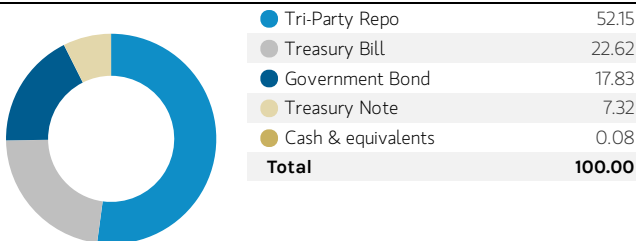


The maturity distribution reflects the final maturity date except for floating rate securities for which the next reset date is reflected.

Breakdown by Rating/Final Maturity (%)

Period	A1/P1	A1+/P1	TOTAL
0 - 1 week	0.00	52.23	52.23
1 week - 1 month	0.00	1.07	1.07
1 month - 3 months	0.00	7.46	7.46
3 months - 6 months	0.00	15.08	15.08
6 months - 1 year	0.00	24.16	24.16
1 year +	0.00	0.00	0.00
Total	--	100.00	100.00

Breakdown by Instrument (% of Total Net Assets)¹



Risk Profile

Short-term rating of investment (S&P/Moody's)	Min A1/P1 Min 50% A1+/P1
Currency risk	No
Maximum weighted average maturity (WAM)	60 days
Maximum maturity of individual security	397 days

Currency risk: The fund does not intend to use currency swaps to purchase securities that are denominated in a currency other than the base currency of the fund.

Share Class IS Risk and Reward Profile



The risk and reward category shown is based on historic data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The fund is in this category because it invests in money market securities and the fund's simulated and/or realised return has experienced low rises and falls historically.

This rating does not take into account other risk factors which should be considered before investing, these include:

- The value of bonds are likely to decrease if interest rates rise and vice versa.
- Issuers may not be able to repay their debts, if this happens the value of your investment will decrease. This risk is higher where the fund invests in a bond with a lower credit rating.
- The fund relies on other parties to fulfill certain services, investments or transactions. If these parties become insolvent, it may expose the fund to financial loss.
- While it is intended that the distributing share classes will maintain a share price of \$1, this may not be achieved due to the creditworthiness of the issuers of investments held or changes in interest rates.
- Past performance is not a reliable indicator of future results. The value of investments and the income from them can go down as well as up and investors may lose all or a substantial portion of his or her investment.
- The value of the investments and the income from them will vary and there can be no assurance that the Fund will achieve its investment objectives.

¹ May not sum to 100% due to rounding.

Please refer to the Prospectus for full risk disclosures. All data as of 31.01.2019 and subject to change daily.

DEFINITIONS

A1+/P1 - short-term credit ratings provided by Moody's and S&P. **A1/P1** - short-term credit ratings provided by Moody's and S&P. **Asset backed commercial paper** - Short-term debt that has a fixed maturity of up to 270 days and is backed by some financial asset, such as trade receivables, consumer debt receivables, or auto and equipment loans or leases. **Average maturity** - weighted average of the maturities of the underlying securities in the portfolio. **Cash deposits** - cash held on balance sheet at a bank or financial institution. **Certificate of Deposit** - A document issued by a bank or other financial institution that is evidence of a deposit, with the issuer's promise to return the deposit plus earnings at a specified interest rate within a specified time period. **Commercial Paper** - Unsecured short-term corporate debt that is characterized by a single payment at maturity. **Commercial Paper - Interest Bearing** - Unsecured short-term corporate debt that is characterized by a single payment at maturity that earns interest. **Corporate and sovereign variable and fixed rate bonds** - Variable bonds are bonds with floating coupon payments that are adjusted at specific intervals. Fixed rate bonds are long term debt paper that carry a predetermined interest rate. **Corporate Bond** - A corporate bond is a debt

security issued by a corporation backed by the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds. Corporate bonds are considered higher risk than government bonds and hence interest rates are generally higher. **Currency risk** - The currency market is highly volatile. Prices in these markets are influenced by, among other things, changing supply and demand for a particular currency; trade; fiscal, money and domestic or foreign exchange control programs and policies; and changes in domestic and foreign interest rates. **CUSIP** stands for 'Committee on Uniform Securities Identification Procedures'. It is a unique six-digit alphanumeric code, issued in North America, to enable the identification of securities. **Dealing Deadline** - the cut-off time for the applications for subscription, exchange or redemption of Shares in a Fund, as specified in "Fund Particulars." **Floating Rate Note** - A debt instrument with a variable rate of interest that resets at specified intervals at a predetermined spread to an index or formula. **Government Bonds** - Bonds issued by the U.S. Government, typically regarded as the highest-grade securities issues with the least amount of default risk. **ISIN** is the international securities identification number (ISIN), a 12 digit code

consisting of numbers and letters that distinctly identifies securities.

Maximum investment maturity – represents the maximum days to maturity permitted for investments in the portfolio. **NAV** is the Net Asset Value per share of the Fund (NAV), which represents the value of the assets of a fund less its liabilities. **Number of holdings** provided are a typical range, not a maximum number. The portfolio may exceed this from time to time due to market conditions and outstanding trades. **Other Tri-Party Repo** – A repurchase agreement in which a third party agent, such as a clearing bank, acts as an intermediary to facilitate the exchange of cash and collateral between the two counterparties. **Repurchase agreements** - A form of collateralized loan involving the sale of a security with a simultaneous agreement by the seller to buy the same security back from the purchaser at an agreed-on price and future date. The party who sells the security at the inception of the repurchase agreement and buys it back at maturity is borrowing money from the other party, and the security sold and subsequently repurchased represents the collateral. **Time Deposit** - A deposit in an interest-paying account that requires the money to remain in the account for a specific length of time, often overnight. **Treasury Bill** - An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount. **Treasury Note** - government-debt security with a coupon and original maturity of one to 10 years. **Weighted average life (WAL)** – measures the weighted average of the maturities of the portfolio's individual holdings. **Weighted average maturity (WAM)** – measures the weighted average of the maturities of the portfolio's individual holdings, taking into account reset dates for floating rate securities. **Yields** are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

IMPORTANT RATINGS DISCLOSURES

Ratings represent the opinions of the rating agency as to the quality of the securities they rate. Standard & Poor's, Moody's, Fitch and NAIC ratings rate the investment quality of the fund's shares. Independent rating agency ratings include, but are not limited to, a regular analysis of a fund's liquidity, diversification, operational policies and internal controls, its management characteristics and the creditworthiness of its assets. Ratings are not intended as a recommendation and are subject to change. Ratings are relative and subjective and are not absolute standards of quality. The portfolio's credit quality does not remove market risk.

Fitch Ratings' money market fund ratings are an opinion as to the capacity of a money market fund to preserve principal and provide shareholder liquidity. Money market fund ratings are distinguished from the long-term credit-rating scale by the 'mmf' rating subscript and range from 'AAAmmf' to 'Bmmf'. For more information, please visit:

http://www.fitchratings.com/creditrisk/public/ratings_definitions/index.cfm. **Moody's**

Investors Services Inc.'s money market fund ratings are opinions of the investment quality of shares in mutual funds and similar investment vehicles which principally invest in short-term fixed income obligations. As such, these ratings incorporate Moody's assessment of a fund's published investment objectives and policies, the creditworthiness of the assets held by the fund, the liquidity profile of the fund's assets relative to the fund's investor base, the assets' susceptibility to market risk, as well as the management characteristics of the fund. For more information, please visit:

<http://v3.moody.com/researchdocumentcontentpage.aspx?docid=PBC.79004>.

Standard & Poor's money market fund ratings are forward-looking opinions about a fixed-income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, Standard & Poor's analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments maturity structure and management's ability and policies to maintain the fund's stable net asset value. For more information, please visit:

<http://www.understandingratings.com>. **The Institutional Money Market Funds Association (IMMFA)** funds are European money market funds triple-A rated by one or more of the ratings agencies such as Fitch Ratings, Standard & Poor's and Moody's Investor Service to ensure continued compliance with rating criteria. Only this type of fund is awarded the lowest susceptibility to interest-rate volatility. For complete information on the methodology used by IMMFA please visit: <http://www.immfa.org>.

INDEX INFORMATION

FTSE 1 Month Treasury Bill Index - index calculated by FTSE that is an average of the last one month Treasury bill month end rates.

DISTRIBUTION

This communication is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. In particular, the Shares are not for distribution to US persons.

Ireland: Morgan Stanley Investment Management (Ireland) Limited. Registered Office: The Observatory, 7-11 Sir John Rogerson's, Quay, Dublin 2,

Ireland. Registered in Ireland under company number 616662. Regulated by the Central Bank of Ireland. **United Kingdom:** Morgan Stanley Investment Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA, authorised and regulated by the Financial Conduct Authority. **Germany:** Morgan Stanley Investment Management Limited Niederlassung Deutschland 4th Floor Junghofstrasse 18-26, 60311 Frankfurt am Main, Germany (Gattung: Zweigniederlassung (FDI) gem. § 53b KWG). **Italy:** Morgan Stanley Investment Management Limited, Milan Branch (Sede Secondaria di Milano) is a branch of Morgan Stanley Investment Management Limited, a company registered in the UK, authorised and regulated by the Financial Conduct Authority (FCA), and whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA. Morgan Stanley Investment Management Limited Milan Branch (Sede Secondaria di Milano) with seat in Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy, is registered in Italy with company number and VAT number 08829360968. **The Netherlands:** Morgan Stanley Investment Management, Rembrandt Tower, 11th Floor Amstelplein 1 1096HA, Netherlands. Telephone: 31 2-0462-1300. Morgan Stanley Investment Management is a branch office of Morgan Stanley Investment Management Limited. Morgan Stanley Investment Management Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. **Switzerland:** Morgan Stanley & Co. International plc, London, Zurich Branch/ Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered with the Register of Commerce Zurich CHE-115.415.770. Registered Office: Beethovenstrasse 33, 8002 Zurich, Switzerland, Telephone +41 (0) 44 588 1000. Facsimile Fax: +41(0) 44 588 1074.

IMPORTANT INFORMATION

EMEA: This marketing communication has been issued by Morgan Stanley Investment Management (Ireland) Limited. Registered Office: The Observatory, 7-11 Sir John Rogerson's, Quay, Dublin 2, Ireland. Registered in Ireland under company number 616662. Authorised and regulated by Central Bank of Ireland. ("MSIM Ireland").

This document contains information relating to the sub-fund ("Fund") of Morgan Stanley Liquidity Funds, a Luxembourg domiciled Société d'Investissement à Capital Variable. Morgan Stanley Liquidity Funds (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part 1 of the Law of 17th December 2010, as amended. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS").

Applications for shares in the Fund should not be made without first consulting the current Prospectus, Key Investor Information Document ("KIID"), Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which is available free of charge from the Registered Office: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

All investments involve risks, including the possible loss of principal. The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

The information contained in this communication is not a research recommendation or 'investment research' and is classified as a 'Marketing Communication' in accordance with the applicable European or Swiss regulation. This means that this marketing communication (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

MSIM Ireland has not authorised financial intermediaries to use and to distribute this document, unless such use and distribution is made in accordance with applicable law and regulation. MSIM Ireland shall not be liable for, and accepts no liability for, the use or misuse of this document by any such financial intermediary. If you are a distributor of the Morgan Stanley Liquidity Funds, some or all of the funds or shares in individual funds may be available for distribution. Please refer to your sub-distribution agreement for these details before forwarding fund information to your clients.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without MSIM

Ireland's express written consent.

All information contained herein is proprietary and is protected under copyright law.

This document may be translated into other languages. Where such a translation is made this English version remains definitive. If there are any discrepancies between the English version and any version of this document in another language, the English version shall prevail.