

## Morgan Stanley Liquidity Funds

## US Dollar Ultra Short Income Fund

## 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

We believe that a conservative ultra-short fund offers a compelling strategy that seeks to deliver current income while maintaining a focus on preserving capital and liquidity.

## Investment Process

The management team follows a multi-pronged investment process with respect to credit risk, interest rate risk and liquidity. Securities are reviewed on an ongoing basis on their ability to maintain creditworthiness taking into consideration factors such as cash flow, asset quality, debt service coverage ratios and economic developments. Additionally, exposure to guarantors and liquidity providers is monitored separately as are the various diversification requirements. The team manages the Portfolio's assets in an attempt to reduce credit or interest rate risks.

## Investment Team

	JOINED FIRM	YEARS OF INDUSTRY EXPERIENCE
Jonas Kolk, Chief Investment Officer of Global Liquidity	2004	33
Michael Cha, Executive Director	2008	34
David Schoenfeld, Executive Director	2012	17

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

## Class QN ACC Shares

Past performance is not a reliable indicator of future results.

Calendar Year Returns (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class QN ACC Shares	5.70	1.97	0.12	0.45	--	--	--	--	--	--

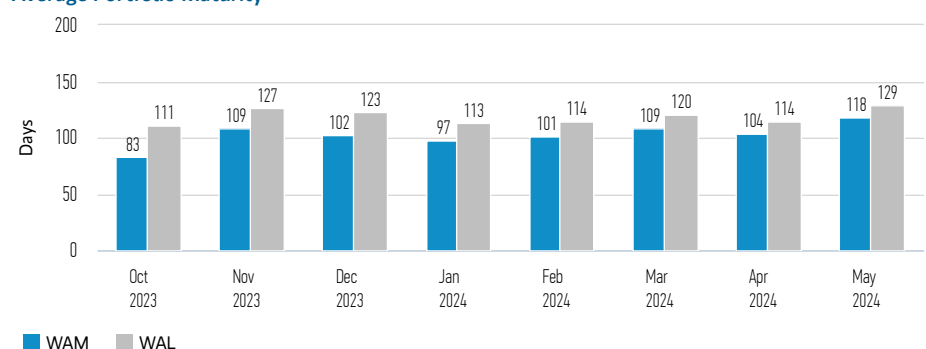
## Average Annualised Monthly Yield (%)

	MAY 2024	APR 2024	MAR 2024	FEB 2024	JAN 2024	DEC 2023
Fund (gross)	5.65	5.66	5.67	5.73	5.79	5.82
Fund (net)	5.54	5.55	5.56	5.62	5.68	5.71

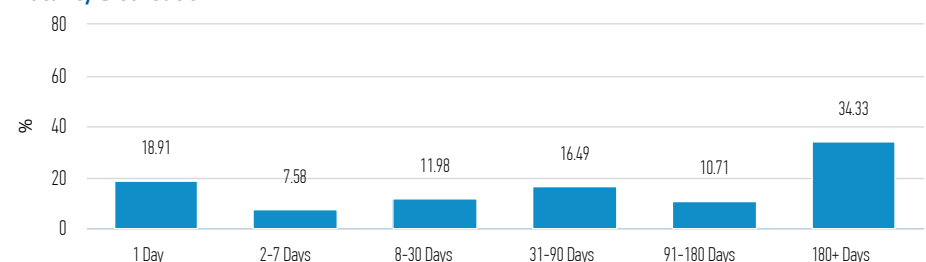
The net performance data shown is calculated net of annual fees. The gross performance data shown does not take into account the fees charged on the fund, had fees and charges been taken into account, the returns would have been lower.

The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested.

## 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.

## GLOBAL LIQUIDITY TEAM

## Contact Details

For further information, please contact your Morgan Stanley Team:

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Email: [Liquidity.Services@morganstanley.com](mailto:Liquidity.Services@morganstanley.com)

Web: [www.morganstanley.com/liquidity](http://www.morganstanley.com/liquidity)

Share Class	CLASS QN ACC
Currency	U.S. dollars
ISIN	LU1954528656
Bloomberg	MSUSIQA LX
CUSIP	L64887653
Net asset value	\$ 11,096.4669
Valuation	Daily
Settlement	T+1
Dealing deadline	9.00pm GMT / 4.00pm EST
Dividend policy	Capitalised daily

## Fund Facts

Money market fund type	Standard Variable Net Asset Value (VNAV)
Launch date	April 2019
Base currency	U.S. dollars
Total net assets	\$ 34.17 million
Regulatory regime	UCITS
Domicile	Luxembourg
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 Limited
	Institutional Money Market Funds Association (IMMFA)
SFDR Classification <sup>†</sup>	Article 8

Characteristics	FUND
WAM	118
WAL	129
Number of holdings	67
Daily Liquidity (%)	15.71
Weekly Liquidity (%)	30.69

Charges (%)	CLASS QN ACC
Ongoing Charges	0.11

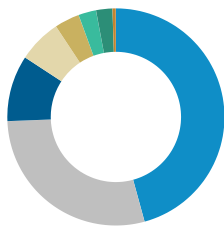
Ongoing Charges reflect the payments and expenses incurred during the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management (Management Fee), trustee/ custodian, and administration charges.

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

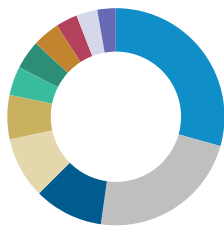
Breakdown by Rating/Final Maturity (%)	A1/P1	A1+/P1	A2/P2	TOTAL
0 - 1 week	--	22.77	--	22.77
1 week - 1 month	5.87	--	0.85	6.72
1 month - 3 months	10.09	4.95	6.71	21.75
3 months - 6 months	7.91	3.05	0.49	11.45
6 months - 1 year	11.47	23.09	--	34.56
1 year +	--	2.75	--	2.75

Breakdown by Rating/Final Maturity (%) reflects the final maturity date for the underlying securities in the portfolio.

Breakdown by Instrument (% of Total Net Assets) <sup>1</sup>	FUND
Commercial Paper	45.76
Corporate Bond	28.62
Certificate of Deposit	9.86
Time Deposit	6.46
Floating Rate Note	3.72
Tri-Party Repo	2.65
Asset backed com. paper	2.43
Cash	0.50



Breakdown by Country (% of Total Net Assets) <sup>1</sup>	FUND
United States	29.38
Canada	22.83
Australia	10.32
Japan	9.12
Norway	6.59
France	4.29
United Kingdom	4.28
Sweden	4.06
Germany	3.23
Netherlands	3.14
Switzerland	2.76



<sup>†</sup> This Fund is classified as an Article 8 product under the Sustainable Finance Disclosure Regulation. Article 8 products are those which promote environmental or social characteristics and which integrate sustainability into the investment process in a binding manner.

<sup>1</sup> May not sum to 100% due to rounding.

Please refer to the Prospectus for full risk disclosures. All data as of 31.05.2024 and subject to change daily.

Applications for shares in the Fund should not be made without first consulting the current Prospectus and the Key Information Document ("KID") or Key Investor Information Document ("KIID"), which are available in English and in the official language of your local jurisdiction at <https://www.morganstanley.com/pub/content/imweb/im/en-gb/liquidity-investor/> or free of charge from the Registered Office of Morgan Stanley Liquidity Funds, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, R.C.S. Luxembourg B 29 192.

Information in relation to sustainability aspects of the Fund and the summary of investor rights is available at the aforementioned website. If the management company of the relevant Fund decides to terminate its arrangement for marketing that Fund in any EEA country where it is registered for sale, it will do so in accordance with the relevant UCITS rules.

**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. **A2/P2** - 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

**Risk Profile**

Short-term rating of investment (S&P/Moody's)	
Currency risk	No
Maximum weighted average maturity (WAM)	180 days
Maximum maturity of individual security	2 years

**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 QN ACC Risk and Reward Profile**

- 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.
- Sustainability factors can pose risks to investments.
- 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.

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. **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 Net Asset Value per Share. **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. External credit ratings solicited and paid for by the Manager of the Funds.

**Fitch Rating's** 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](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.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](http://v3.moodys.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>.

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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 sub-funds should not be made without first consulting the current Prospectus, Key Information Document ("KID") or 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. Investors should be aware that a diversified strategy does not protect against a loss in a particular market.

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Investment in the Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned.

**The Fund is not a guaranteed investment and is different from an investment in deposits. The Fund does not rely on external support for guaranteeing the liquidity of the Fund or stabilising the NAV per share. The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.**

Each Fund is authorised to invest up to 100% of its assets in Money Market Instruments issued or guaranteed separately or jointly by a Sovereign Entity and by any other member states of the OECD and their central authorities or central banks subject to certain conditions. Please see Prospectus for further details.

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