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# **MORGAN STANLEY LIQUIDITY FUNDS**

Société d'Investissement à Capital Variable  
organised under the laws of the Grand Duchy of Luxembourg

RCS Number: B 174 137

## **Semi-Annual Report Unaudited**

**30 September 2017**

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# MORGAN STANLEY LIQUIDITY FUNDS

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# MORGAN STANLEY LIQUIDITY FUNDS

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## Directors and Service Providers

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### Board of Directors of the Company

**Michael Griffin, Chairman**

Non-Executive Director  
Ireland

**Andrew Mack**

Non-Executive Director  
United Kingdom

**William Jones**

Non-Executive Director  
Grand Duchy of Luxembourg

**Henry Kelly**

Non-Executive Director  
Grand Duchy of Luxembourg

**Judith Eden (resigned effective 1 October 2017)**

Non-Executive Director  
United Kingdom

### Management Company

**Morgan Stanley Investment Management (ACD) Limited**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### Directors of the Management Company

**Judith Eden (resigned effective 1 July 2017)**

Non-Executive Director  
United Kingdom

**Andrew Mack**

Non-Executive Director  
United Kingdom

**Andrew Onslow**

Managing Director  
Morgan Stanley Investment Management Limited  
London  
United Kingdom

**Ruairi O'Healai**

Managing Director,  
Morgan Stanley Investment Management Limited  
London  
United Kingdom

**Diane Jane Hosie**

Managing Director  
Morgan Stanley Investment Management Limited  
London  
United Kingdom

### Depository

**The Bank of New York Mellon (International) Limited**

**Luxembourg Branch**  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg  
Grand Duchy of Luxembourg

**Registrar and Transfer Agent\*,  
Administrative Agent\* and Paying Agent\*****The Bank of New York Mellon (International) Limited**

**Luxembourg Branch**  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg  
Grand Duchy of Luxembourg

### Domiciliary Agent

**Morgan Stanley Investment Management****Limited, Luxembourg Branch**

6B, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

### Investment Adviser\*

**Morgan Stanley Investment Management Inc.**

522 Fifth Avenue  
New York, New York, 10036  
United States of America

### Sub-Investment Adviser\*\*

**Morgan Stanley & Co International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### Distributor\*

**Morgan Stanley Investment Management Limited**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### Independent Auditor of the Company

**Ernst & Young S.A.**

35E, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Legal Adviser

**Arendt & Medernach S.A.**

41A, avenue J. F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

\*Delegated by the Management Company.

\*\*Delegated by the Investment Adviser.

## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Net Assets As of 30 September 2017

ASSETS	Euro Liquidity Fund EUR	US Dollar Liquidity Fund USD	US Dollar Treasury Liquidity Fund USD	Sterling Liquidity Fund GBP	Combined USD
Investment in securities at amortised cost (Note 2a)	4,012,636,541	18,939,259,589	2,059,506,620	1,816,296,377	28,179,340,729
Time deposits (Note 9)	1,491,863,330	1,243,000,000	–	711,963,329	3,961,887,037
Reverse repurchase agreements (Note 8)	100,000,000	200,000,000	–	–	318,220,009
Interest receivable (Note 2c)	6,914,784	8,715,965	7,945,636	2,424,777	28,089,463
Cash at bank (Note 2d) <sup>(1)</sup>	325	171,854	3,506,932	1,044	3,680,571
Receivable from investment sold	–	–	185,890,625	–	185,890,625
Operating fee reimbursement	650,912	3,128,653	784,123	172,026	4,913,083
Other assets	214,398	201	8,825	–	262,487
<b>TOTAL ASSETS</b>	<b>5,612,280,290</b>	<b>20,394,276,262</b>	<b>2,257,642,761</b>	<b>2,530,857,553</b>	<b>32,682,284,004</b>
<b>LIABILITIES</b>					
Payable for investment purchased	125,168,980	–	–	–	147,974,779
Dividends payable (Note 3)	–	19,003,348	1,803,633	355,504	21,283,943
Expense payable	2,393,026	12,510,419	1,804,511	1,131,191	18,661,629
<b>TOTAL LIABILITIES</b>	<b>127,562,006</b>	<b>31,513,767</b>	<b>3,608,144</b>	<b>1,486,695</b>	<b>187,920,351</b>
<b>NET ASSET VALUE</b>	<b>5,484,718,284</b>	<b>20,362,762,495</b>	<b>2,254,034,617</b>	<b>2,529,370,858</b>	<b>32,494,363,653</b>

<sup>(1)</sup> Cash is held at the Depositary.

**On behalf of the Board of the Company:**

**Director**

**Director**

**15 November 2017**

The accompanying notes form an integral part of financial statements.

## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Net Assets As of 31 March 2017

ASSETS	Euro Liquidity Fund EUR	US Dollar Liquidity Fund USD	US Dollar Treasury Liquidity Fund USD	Sterling Liquidity Fund GBP	Combined USD
Investment in securities at amortised cost (Note 2a)	5,172,371,367	17,362,579,040	2,089,616,748	2,061,576,205	27,562,207,742
Time deposits (Note 9)	993,659,997	1,993,000,000	–	144,606,039	3,236,592,436
Reverse repurchase agreements (Note 8)	340,000,000	400,000,000	465,000,000	200,000,000	1,478,737,286
Interest receivable (Note 2c)	7,682,877	11,223,919	4,319,694	1,732,783	25,927,599
Cash at bank (Note 2d) <sup>(1)</sup>	42,439	1,099,634	35,172,196	2,639	36,320,520
Operating fee reimbursement	399,206	2,512,909	689,234	91,955	3,744,099
Other assets	264,084	10,160	22,802	9,419	327,191
<b>TOTAL ASSETS</b>	<b>6,514,419,970</b>	<b>19,770,425,662</b>	<b>2,594,820,674</b>	<b>2,408,019,040</b>	<b>32,343,856,873</b>
<b>LIABILITIES</b>					
Payable for investment purchased	145,122,757	209,418,239	–	–	364,634,392
Dividends payable (Note 3)	–	15,844,310	1,149,944	469,269	17,581,052
Expense payable	1,762,968	7,762,438	1,416,483	846,790	12,123,373
<b>TOTAL LIABILITIES</b>	<b>146,885,725</b>	<b>233,024,987</b>	<b>2,566,427</b>	<b>1,316,059</b>	<b>394,338,817</b>
<b>NET ASSET VALUE</b>	<b>6,367,534,245</b>	<b>19,537,400,675</b>	<b>2,592,254,247</b>	<b>2,406,702,981</b>	<b>31,949,518,056</b>

<sup>(1)</sup> Cash is held at the Depository.

## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Net Assets Statistics As of 30 September 2017

	Currency	Outstanding Shares as at 30 September 2017	Outstanding Shares as at 31 March 2017	Outstanding Shares as at 31 March 2016	Outstanding Shares as at 31 March 2015
<b>Euro Liquidity Fund</b>					
Advisory Shares	EUR	–	–	–	200,001
Institutional Shares	EUR	4,091,433,251	5,195,468,206	2,619,231,047	2,626,897,424
Institutional Accumulation Shares	EUR	2,659,183	5,052,534	292,742	355,656
Institutional Select Shares (Note 1)	EUR	100,472,686	–	1,891,776	–
Institutional (+1) Accumulation Shares	EUR	1	1	–	–
MS Reserve Shares	EUR	1,003,715,607	621,384,136	461,601,715	455,540,651
Qualified Accumulation Shares	EUR	–	–	–	3,667
<b>US Dollar Liquidity Fund</b>					
Advantage Accumulation Shares	USD	1,915	1,915	1,915	1,915
Advisory Shares (Note 1)	USD	50,000	50,000	–	10,000
Advisory Accumulation Shares	USD	–	–	–	1
Institutional Shares	USD	12,887,781,249	11,444,903,889	5,678,343,980	6,497,826,582
Institutional Accumulation Shares	USD	290,506	3,920,026	434,384	1,292,896
Institutional Select Shares	USD	14,156,809	9,730,272	96,411,194	1,010,208
Master Shares	USD	4,964,858,781	5,527,514,738	4,162,860,364	4,237,292,052
MS Reserve Shares	USD	424,474,022	294,745,484	254,905,289	272,821,475
Qualified Accumulation Shares (Note 1)	USD	20,153,837	18,266,991	157,900	24,025
<b>US Dollar Treasury Liquidity Fund</b>					
Advisory Shares (Note 1)	USD	50,000	50,000	–	10,000
Institutional Shares	USD	1,500,566,948	1,734,597,405	956,120,649	224,190,299
Institutional Select Shares	USD	50,244,201	50,088,298	50,010,000	10,000
MS Reserve Shares	USD	703,173,468	807,518,544	533,246,611	438,736,235
<b>Sterling Liquidity Fund</b>					
Institutional Shares	GBP	2,524,042,169	2,373,899,407	2,364,122,971	1,988,785,860
Institutional Accumulation Shares	GBP	8,887	8,887	163,548	157,669
Institutional Select Shares	GBP	920,200	25,000,000	7,000,000	7,041,521
Institutional Select Accumulation Shares	GBP	–	–	–	570
MS Reserve Shares (Note 1)	GBP	–	–	24,195,694	27,321,857
Qualified Shares	GBP	3,397,611	6,793,742	9,022,300	11,631,435
Qualified Accumulation Shares	GBP	–	–	–	588

## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Net Assets Statistics As of 30 September 2017 (continued)

	Currency	Net Asset Value per Share as at 30 September 2017	Net Asset Value per Share as at 31 March 2017	Net Asset Value per Share as at 31 March 2016	Net Asset Value per Share as at 31 March 2015
<b>Euro Liquidity Fund</b>					
Advisory Shares	EUR	–	–	–	1.00
Institutional Shares	EUR	1.00	1.00	1.00	1.00
Institutional Accumulation Shares	EUR	108.72	108.99	109.48	109.63
Institutional Select Shares (Note 1)	EUR	1.00	–	1.00	–
Institutional (+1) Accumulation Shares	EUR	100.00	100.00	–	–
MS Reserve Shares	EUR	1.00	1.00	1.00	1.00
Qualified Accumulation Shares	EUR	–	–	–	109.62
<b>US Dollar Liquidity Fund</b>					
Advantage Accumulation Shares	USD	101.94	101.51	101.13	101.09
Advisory Shares (Note 1)	USD	1.00	1.00	–	1.00
Advisory Accumulation Shares	USD	–	–	–	101.07
Institutional Shares	USD	1.00	1.00	1.00	1.00
Institutional Accumulation Shares	USD	108.14	107.54	106.85	106.67
Institutional Select Shares	USD	1.00	1.00	1.00	1.00
Master Shares	USD	1.00	1.00	1.00	1.00
MS Reserve Shares	USD	1.00	1.00	1.00	1.00
Qualified Accumulation Shares (Note 1)	USD	101.21	100.66	100.02	106.66
<b>US Dollar Treasury Liquidity Fund</b>					
Advisory Shares (Note 1)	USD	1.00	1.00	–	1.00
Institutional Shares	USD	1.00	1.00	1.00	1.00
Institutional Select Shares	USD	1.00	1.00	1.00	1.00
MS Reserve Shares	USD	1.00	1.00	1.00	1.00
<b>Sterling Liquidity Fund</b>					
Institutional Shares	GBP	1.00	1.00	1.00	1.00
Institutional Accumulation Shares	GBP	113.74	113.64	113.25	112.74
Institutional Select Shares	GBP	1.00	1.00	1.00	1.00
Institutional Select Accumulation Shares	GBP	–	–	–	100.08
MS Reserve Shares (Note 1)	GBP	–	–	1.00	1.00
Qualified Shares	GBP	1.00	1.00	1.00	1.00
Qualified Accumulation Shares	GBP	–	–	–	112.73

## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Net Assets Statistics As of 30 September 2017 (continued)

	Currency	Net Assets as at 30 September 2017	Net Assets as at 31 March 2017	Net Assets as at 31 March 2016	Net Assets as at 31 March 2015
<b>Euro Liquidity Fund</b>					
Advisory Shares	EUR	–	–	–	200,001
Institutional Shares	EUR	4,091,433,251	5,195,468,206	2,619,231,047	2,626,897,424
Institutional Accumulation Shares	EUR	289,096,640	550,681,803	32,049,835	38,989,437
Institutional Select Shares (Note 1)	EUR	100,472,686	–	1,891,776	–
Institutional (+1) Accumulation Shares	EUR	100	100	–	–
MS Reserve Shares	EUR	1,003,715,607	621,384,136	461,601,715	455,540,651
Qualified Accumulation Shares	EUR	–	–	–	401,945
<b>US Dollar Liquidity Fund</b>					
Advantage Accumulation Shares	USD	195,217	194,388	193,653	193,589
Advisory Shares (Note 1)	USD	50,000	50,000	–	10,000
Advisory Accumulation Shares	USD	–	–	–	101
Institutional Shares	USD	12,887,781,249	11,444,903,889	5,678,343,980	6,497,826,582
Institutional Accumulation Shares	USD	31,414,590	421,553,492	46,413,168	137,906,967
Institutional Select Shares	USD	14,156,809	9,730,272	96,411,194	1,010,208
Master Shares	USD	4,964,858,781	5,527,514,738	4,162,860,364	4,237,292,052
MS Reserve Shares	USD	424,474,022	294,745,484	254,905,289	272,821,475
Qualified Accumulation Shares (Note 1)	USD	2,039,831,827	1,838,708,412	15,793,425	2,562,486
<b>US Dollar Treasury Liquidity Fund</b>					
Advisory Shares (Note 1)	USD	50,000	50,000	–	10,000
Institutional Shares	USD	1,500,566,948	1,734,597,405	956,120,649	224,190,299
Institutional Select Shares	USD	50,244,201	50,088,298	50,010,000	10,000
MS Reserve Shares	USD	703,173,468	807,518,544	533,246,611	438,736,235
<b>Sterling Liquidity Fund</b>					
Institutional Shares	GBP	2,524,042,169	2,373,899,407	2,364,122,971	1,988,785,860
Institutional Accumulation Shares	GBP	1,010,878	1,009,832	18,521,138	17,775,955
Institutional Select Shares	GBP	920,200	25,000,000	7,000,000	7,041,521
Institutional Select Accumulation Shares	GBP	–	–	–	57,025
MS Reserve Shares (Note 1)	GBP	–	–	24,195,694	27,321,857
Qualified Shares	GBP	3,397,611	6,793,742	9,022,300	11,631,435
Qualified Accumulation Shares	GBP	–	–	–	66,239

The accompanying notes form an integral part of financial statements.



## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Operations and Changes in Net Assets For the period ended to 30 September 2017

	Euro Liquidity Fund EUR	US Dollar Liquidity Fund USD	US Dollar Treasury Liquidity Fund USD	Sterling Liquidity Fund GBP	Combined USD
<b>INCOME</b>					
Interest (Note 2c)	(14,747,886)	133,480,896	11,464,676	4,107,928	133,505,142
<b>Total Positive/(Negative) Income</b>	<b>(14,747,886)</b>	<b>133,480,896</b>	<b>11,464,676</b>	<b>4,107,928</b>	<b>133,505,142</b>
<b>EXPENSES</b>					
Management fees (Note 4,6)	6,035,645	14,793,522	1,794,553	2,672,199	26,901,764
Less: Management fees waived	(3,646,209)	–	–	(1,067,322)	(5,523,035)
Management fees - Net	2,389,436	14,793,522	1,794,553	1,604,877	21,378,729
Taxe d'Abonnement (Note 5)	–	356,743	–	186	356,984
Legal fees (Note 6c)	13,870	14,959	14,959	11,797	60,936
Director's fees, director's liability insurance premium and expenses (Note 6b)	26,691	29,523	29,523	22,728	118,770
Ratings fees (Note 6c)	29,819	37,682	24,085	25,057	128,057
Tax charges (excluding Taxe d'Abonnement) (Note 5)	13,149	14,181	16,994	12,700	62,542
Other fees (Note 6c)	9,768	11,027	12,160	9,430	46,483
Audit fees (Note 6c)	6,856	7,395	7,395	5,831	30,122
Professional fees (Note 6c)	7,788	13,433	1,299	4,083	28,861
Distribution fees (Note 6c)	2,501	2,755	2,756	2,097	11,065
Less: Operating fee reimbursement	(110,460)	(131,117)	(109,187)	(93,736)	(487,052)
<b>Total Expenses</b>	<b>2,389,418</b>	<b>15,150,103</b>	<b>1,794,537</b>	<b>1,605,050</b>	<b>21,735,497</b>
<b>Net Investment Income/(Expense)</b>	<b>(17,137,304)</b>	<b>118,330,793</b>	<b>9,670,139</b>	<b>2,502,878</b>	<b>111,769,645</b>
Less: Distribution paid from income (Note 3)	–	(105,959,385)	(9,670,139)	(2,501,934)	(118,866,079)
Receipt from the Compulsory Redemption of shares (Note 3)	16,254,601	–	–	–	18,466,257
<b>Net Increase/(Decrease) in Net Assets resulting from operations</b>	<b>(882,703)</b>	<b>12,371,408</b>	<b>–</b>	<b>944</b>	<b>11,369,823</b>
Proceeds from issuance of shares	15,574,574,213	61,109,385,308	9,328,551,336	9,124,707,736	99,935,557,052
Shares redeemed	(16,456,507,471)	(60,296,394,896)	(9,666,770,966)	(9,002,040,803)	(100,304,033,778)
<b>Increase/(Decrease) in Net Assets from share transactions</b>	<b>(881,933,258)</b>	<b>812,990,412</b>	<b>(338,219,630)</b>	<b>122,666,933</b>	<b>(368,476,726)</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>(882,815,961)</b>	<b>825,361,820</b>	<b>(338,219,630)</b>	<b>122,667,877</b>	<b>(357,106,903)</b>
Net Assets at the beginning of the period	6,367,534,245	19,537,400,675	2,592,254,247	2,406,702,981	31,949,518,056
Foreign exchange adjustment on translation	–	–	–	–	901,952,500
<b>NET ASSETS AT THE END OF THE HALF-YEAR</b>	<b>5,484,718,284</b>	<b>20,362,762,495</b>	<b>2,254,034,617</b>	<b>2,529,370,858</b>	<b>32,494,363,653</b>

On behalf of the Board of the Company:

Director

Director

15 November 2017

## MORGAN STANLEY LIQUIDITY FUNDS

### Statement of Operations and Changes in Net Assets For the period ended to 30 September 2016

	Euro Liquidity Fund EUR	US Dollar Liquidity Fund USD	US Dollar Treasury Liquidity Fund USD	Sterling Liquidity Fund GBP	Combined USD
<b>INCOME</b>					
Interest (Note 2c)	(7,614,591)	42,165,351	3,060,116	7,066,862	46,381,845
<b>Total Positive/(Negative) Income</b>	<b>(7,614,591)</b>	<b>42,165,351</b>	<b>3,060,116</b>	<b>7,066,862</b>	<b>46,381,845</b>
<b>EXPENSES</b>					
Management fees (Note 4,6)	4,039,445	7,969,705	1,297,537	2,523,650	17,267,374
Less: Management fees waived	(2,623,564)	(212,827)	(62,748)	(1,008,936)	(4,606,229)
Management fees - Net	1,415,881	7,756,878	1,234,789	1,514,714	12,661,145
Taxe d'Abonnement (Note 5)	-	263,027	-	517	263,737
Legal fees (Note 6c)	18,208	20,274	20,274	13,888	80,059
Director's fees, director's liability insurance premium and expenses (Note 6b)	27,040	30,001	30,001	25,349	125,166
Ratings fees (Note 6c)	30,498	37,306	22,413	26,451	130,279
Tax charges (excluding Taxe d'Abonnement) (Note 5)	7,846	8,373	-	6,145	25,619
Other fees (Note 6c)	11,681	12,543	5,296	9,110	43,462
Audit fees (Note 6c)	6,898	8,071	7,742	5,686	31,365
Professional fees (Note 6c)	8,289	14,826	2,359	3,907	31,855
Distribution fees (Note 6c)	3,815	4,238	4,238	3,019	16,904
Less: Operating fee reimbursement	(114,212)	(144,928)	(92,102)	(93,594)	(493,767)
<b>Total Expenses</b>	<b>1,415,944</b>	<b>8,010,609</b>	<b>1,235,010</b>	<b>1,515,192</b>	<b>12,915,824</b>
<b>Net Investment Income/(Expense)</b>	<b>(9,030,535)</b>	<b>34,154,742</b>	<b>1,825,106</b>	<b>5,551,670</b>	<b>33,466,021</b>
Less: Distribution paid from income (Note 3)	-	(32,124,990)	(1,825,106)	(5,543,816)	(41,562,985)
Receipt from the Compulsory Redemption of shares (Note 3)	8,847,812	-	-	-	9,932,380
<b>Net Increase/(Decrease) in Net Assets resulting from operations</b>	<b>(182,723)</b>	<b>2,029,752</b>	<b>-</b>	<b>7,854</b>	<b>1,835,416</b>
Proceeds from issuance of shares	12,846,869,945	39,958,398,100	7,649,034,589	8,801,922,102	74,116,067,073
Shares redeemed	(10,496,426,833)	(34,550,522,954)	(7,138,556,140)	(8,978,170,502)	(65,801,180,353)
<b>Increase/(Decrease) in Net Assets from share transactions</b>	<b>2,350,443,112</b>	<b>5,407,875,146</b>	<b>510,478,449</b>	<b>(176,248,400)</b>	<b>8,314,886,720</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>2,350,260,389</b>	<b>5,409,904,898</b>	<b>510,478,449</b>	<b>(176,240,546)</b>	<b>8,316,722,136</b>
Net Assets at the beginning of the period	3,114,774,374	10,254,920,997	1,539,377,259	2,422,862,102	18,826,125,022
Foreign exchange adjustment on translation	-	-	-	-	(368,192,623)
<b>NET ASSETS AT THE END OF THE HALF-YEAR</b>	<b>5,465,034,763</b>	<b>15,664,825,895</b>	<b>2,049,855,708</b>	<b>2,246,621,556</b>	<b>26,774,654,535</b>

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## Euro Liquidity Fund

### Schedule of Investments

As of 30 September 2017

(Expressed in EUR)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>COMMERCIAL PAPER 31.24%</b>						
AGENCE CENTRALE ORGANISMES	EUR	50,000,000	-	17-Oct-17	50,009,481	0.91
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	50,000,000	-	02-Oct-17	50,000,000	0.91
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	50,000,000	-	26-Oct-17	50,011,855	0.91
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	30,000,000	-	11-Dec-17	30,021,624	0.55
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	50,000,000	-	08-Jan-18	50,049,774	0.91
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	50,000,000	-	08-Jan-18	50,049,772	0.91
BAYERISCHE MOTOREN WERKE AG	EUR	50,000,000	-	30-Oct-17	50,015,956	0.91
CREDIT AGRICOLE CIB	EUR	50,000,000	-	28-Feb-18	50,080,867	0.91
CREDIT AGRICOLE CIB	EUR	25,000,000	-	06-Mar-18	25,042,062	0.46
DEKABANK DEUTSCHE GIROZENTRALE	EUR	75,000,000	-	02-Oct-17	75,000,000	1.37
DEKABANK DEUTSCHE GIROZENTRALE	EUR	75,000,000	-	09-Oct-17	75,006,930	1.37
DEKABANK DEUTSCHE GIROZENTRALE	EUR	75,000,000	-	11-Oct-17	75,008,816	1.37
HONEYWELL INTERNATIONAL INC	EUR	25,500,000	-	18-Oct-17	25,503,177	0.46
HONEYWELL INTERNATIONAL INC	EUR	45,000,000	-	26-Oct-17	45,008,409	0.82
HONEYWELL INTERNATIONAL INC	EUR	25,000,000	-	27-Oct-17	25,004,519	0.46
HONEYWELL INTERNATIONAL INC	EUR	25,000,000	-	07-Nov-17	25,009,009	0.46
HONEYWELL INTERNATIONAL INC	EUR	25,000,000	-	05-Dec-17	25,012,460	0.46
HONEYWELL INTERNATIONAL INC	EUR	25,000,000	-	19-Jan-18	25,022,738	0.46
KA FINANZ AG	EUR	23,000,000	-	12-Oct-17	23,002,626	0.42
L'OREAL SA	EUR	50,000,000	-	26-Oct-17	50,015,006	0.91
NORDEA BANK AB	EUR	25,000,000	-	14-Dec-17	25,020,314	0.46
NORDEA BANK AB	EUR	50,000,000	-	18-Dec-17	50,042,860	0.91
NORDEA BANK AB	EUR	30,000,000	-	22-Jan-18	30,038,333	0.55
NORDEA BANK AB	EUR	50,000,000	-	26-Feb-18	50,079,786	0.91
OP CORPORATE BANK PLC	EUR	41,000,000	-	10-Oct-17	41,003,926	0.75
OP CORPORATE BANK PLC	EUR	12,000,000	-	19-Oct-17	12,002,385	0.22
OP CORPORATE BANK PLC	EUR	38,000,000	-	30-Nov-17	38,026,213	0.69
OP CORPORATE BANK PLC	EUR	27,500,000	-	13-Dec-17	27,524,245	0.50
OP CORPORATE BANK PLC	EUR	17,000,000	-	15-Jan-18	17,021,360	0.31
OP CORPORATE BANK PLC	EUR	13,000,000	-	16-Jan-18	13,016,874	0.24
OP CORPORATE BANK PLC	EUR	22,500,000	-	15-Feb-18	22,536,630	0.41
OP CORPORATE BANK PLC	EUR	11,000,000	-	22-Feb-18	11,018,830	0.20
PROCTER & GAMBLE COMPANY	EUR	19,000,000	-	05-Oct-17	19,000,682	0.35
PROCTER & GAMBLE COMPANY	EUR	20,000,000	-	06-Oct-17	20,000,712	0.36
PROCTER & GAMBLE COMPANY	EUR	10,000,000	-	17-Oct-17	10,001,334	0.18
PROCTER & GAMBLE COMPANY	EUR	13,000,000	-	19-Oct-17	13,001,966	0.24
PROCTER & GAMBLE COMPANY	EUR	23,000,000	-	03-Nov-17	23,006,545	0.42
PROCTER & GAMBLE COMPANY	EUR	20,000,000	-	03-Jan-18	20,017,584	0.36
PROCTER & GAMBLE COMPANY	EUR	11,000,000	-	08-Jan-18	11,010,192	0.20
SOCIETE DE FINANCEMENT LOCAL SA	EUR	50,000,000	-	14-Dec-17	50,045,730	0.91
SUMITOMO MITSUI BANKING CORPORATION	EUR	25,000,000	-	13-Oct-17	25,003,135	0.46
SVENSKA HANDELSBANKEN AB	EUR	20,000,000	-	03-Oct-17	20,000,200	0.36
SVENSKA HANDELSBANKEN AB	EUR	10,000,000	-	05-Dec-17	10,006,769	0.18
SVENSKA HANDELSBANKEN AB	EUR	20,000,000	-	06-Dec-17	20,013,568	0.36
SVENSKA HANDELSBANKEN AB	EUR	50,000,000	-	23-Jan-18	50,056,621	0.91
SVENSKA HANDELSBANKEN AB	EUR	25,000,000	-	05-Feb-18	25,032,874	0.46
SVENSKA HANDELSBANKEN AB	EUR	25,000,000	-	07-Feb-18	25,033,396	0.46
SVENSKA HANDELSBANKEN AB	EUR	13,500,000	-	16-Feb-18	13,519,302	0.25
SVENSKA HANDELSBANKEN AB	EUR	25,000,000	-	28-Feb-18	25,039,915	0.46
UNITED PARCEL SERVICE INC	EUR	30,000,000	-	05-Oct-17	30,001,150	0.55
UNITED PARCEL SERVICE INC	EUR	20,000,000	-	06-Oct-17	20,000,935	0.36
UNITED PARCEL SERVICE INC	EUR	24,000,000	-	11-Oct-17	24,002,702	0.44
UNITED PARCEL SERVICE INC	EUR	33,700,000	-	13-Oct-17	33,704,739	0.61
UNITED PARCEL SERVICE INC	EUR	15,000,000	-	23-Oct-17	15,004,114	0.27
<b>Total Commercial Paper</b>					<b>1,713,711,002</b>	<b>31.24</b>

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## Euro Liquidity Fund

### Schedule of Investments (continued)

As of 30 September 2017

(Expressed in EUR)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>CERTIFICATES OF DEPOSIT 28.10%</b>						
BNP PARIBAS	EUR	50,000,000	-	08-Nov-17	50,018,534	0.91
BRED BANQUE POPULAIRE	EUR	50,000,000	-	12-Oct-17	50,005,696	0.91
CITIBANK NA	EUR	75,000,000	-	06-Oct-17	75,003,754	1.37
CREDIT AGRICOLE SA	EUR	50,000,000	-	26-Feb-18	50,075,686	0.91
CREDIT AGRICOLE SA	EUR	25,000,000	-	05-Mar-18	25,039,643	0.46
CREDIT SUISSE AG	EUR	50,000,000	-	09-Oct-17	50,003,894	0.91
CREDIT SUISSE AG	EUR	50,000,000	-	11-Oct-17	50,005,628	0.91
DANSKE BANK A/S	EUR	50,000,000	-	01-Dec-17	50,031,728	0.91
KBC BANK NV	EUR	25,000,000	-	09-Oct-17	25,001,994	0.46
KBC BANK NV	EUR	75,000,000	-	27-Nov-17	75,046,715	1.37
KBC BANK NV	EUR	75,000,000	-	08-Dec-17	75,055,890	1.37
KBC BANK NV	EUR	50,000,000	-	12-Dec-17	50,036,555	0.91
MIZUHO BANK LTD	EUR	75,000,000	-	03-Oct-17	75,000,834	1.37
MIZUHO BANK LTD	EUR	50,000,000	-	05-Oct-17	50,001,668	0.91
MIZUHO BANK LTD	EUR	20,000,000	-	27-Nov-17	20,012,302	0.36
MIZUHO BANK LTD	EUR	30,000,000	-	04-Dec-17	30,019,713	0.55
MIZUHO BANK LTD	EUR	20,000,000	-	06-Dec-17	20,014,278	0.37
MIZUHO BANK LTD	EUR	50,000,000	-	02-Jan-18	50,049,259	0.91
NORINCHUKIN BANK	EUR	50,000,000	-	11-Oct-17	50,005,815	0.91
NORINCHUKIN BANK	EUR	50,000,000	-	31-Oct-17	50,018,737	0.91
NORINCHUKIN BANK	EUR	50,000,000	-	10-Nov-17	50,023,589	0.91
NORINCHUKIN BANK	EUR	40,000,000	-	13-Nov-17	40,021,016	0.73
SUMITOMO MITSUI BANKING CORPORATION	EUR	30,000,000	-	30-Oct-17	30,008,177	0.55
SUMITOMO MITSUI BANKING CORPORATION	EUR	75,000,000	-	08-Dec-17	75,057,289	1.37
SUMITOMO MITSUI TRUST BANK LTD	EUR	75,000,000	-	08-Jan-18	75,081,777	1.37
SUMITOMO MITSUI TRUST BANK LTD	EUR	75,000,000	-	07-Mar-18	75,123,736	1.37
SVENSKA HANDELSBANKEN AB	EUR	40,000,000	-	31-Oct-17	40,012,269	0.73
SVENSKA HANDELSBANKEN AB	EUR	25,000,000	-	03-Apr-18	25,048,755	0.46
UBS AG	EUR	25,000,000	-	07-Nov-17	25,010,264	0.46
UBS AG	EUR	10,000,000	-	22-Dec-17	10,009,238	0.18
UBS AG	EUR	75,000,000	-	05-Jan-18	75,074,365	1.37
UBS AG	EUR	50,000,000	-	11-May-18	50,110,745	0.91
<b>Total Certificates of Deposit</b>					<b>1,541,029,543</b>	<b>28.10</b>
<b>FLOATING RATE NOTES 7.54%</b>						
ABN AMRO BANK	EUR	10,100,000	0.37%	05-Dec-17	10,113,175	0.19
AUSTRALIA AND NEW ZEALAND BANKING	EUR	19,000,000	0.08%	30-Jan-18	19,027,105	0.35
BNP PARIBAS	EUR	10,000,000	0.62%	15-Nov-17	10,011,699	0.18
CAISSE CENTRALE DESJARDINS DU QUEBEC	EUR	50,000,000	0.00%	19-Jan-18	50,060,675	0.91
ING BANK NV	EUR	5,000,000	0.17%	19-Feb-18	5,010,818	0.09
NATIONAL AUSTRALIA BANK LTD	EUR	56,604,000	0.00%	16-Jan-18	56,665,390	1.03
NORDEA BANK AB	EUR	20,000,000	0.27%	28-Nov-17	20,020,921	0.37
RABOBANK NEDERLAND NV	EUR	120,266,000	0.00%	12-Oct-17	120,278,644	2.19
RABOBANK NEDERLAND NV	EUR	71,955,000	0.00%	15-Jan-18	72,029,294	1.32
SOCIETE GENERALE	EUR	50,000,000	0.02%	19-Feb-18	50,077,683	0.91
<b>Total Floating Rate Notes</b>					<b>413,295,404</b>	<b>7.54</b>
<b>CORPORATE BONDS 6.28%</b>						
ABN AMRO BANK	EUR	22,200,000	3.63%	06-Oct-17	22,209,893	0.41
ABN AMRO BANK	EUR	5,000,000	3.50%	12-Jan-18	5,055,554	0.09
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	15,400,000	1.63%	11-Jan-18	15,486,169	0.28
BNP PARIBAS	EUR	7,836,000	2.88%	27-Nov-17	7,874,931	0.14

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## Euro Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2017

(Expressed in EUR)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>CORPORATE BONDS 6.28%</b>						
BNP PARIBAS	EUR	9,521,000	1.50%	12-Mar-18	9,598,283	0.18
BNZ INTERNATIONAL FUNDING LTD	EUR	10,000,000	3.13%	23-Nov-17	10,050,682	0.18
COMMONWEALTH BANK OF AUSTRALIA	EUR	7,750,000	4.25%	06-Apr-18	7,930,265	0.14
CREDIT AGRICOLE SA	EUR	5,600,000	1.88%	18-Oct-17	5,605,458	0.10
CREDIT AGRICOLE SA	EUR	26,200,000	1.75%	12-Mar-18	26,445,887	0.48
DNB BANK ASA	EUR	9,600,000	1.00%	22-Jan-18	9,641,603	0.18
HSBC BANK PLC	EUR	15,457,000	3.13%	15-Nov-17	15,521,959	0.28
KREDITANSTALT FUR WIEDERAUFBAU	EUR	41,000,000	0.88%	13-Oct-17	41,018,273	0.75
NORDEA BANK AB	EUR	31,050,000	2.25%	05-Oct-17	31,056,749	0.57
NORDEA BANK AB	EUR	33,248,000	1.38%	12-Apr-18	33,552,225	0.61
PROCTER & GAMBLE COMPANY	EUR	15,150,000	5.13%	24-Oct-17	15,200,392	0.28
RABOBANK NEDERLAND NV	EUR	32,006,000	4.75%	15-Jan-18	32,478,811	0.59
SKANDINAVISKA ENSKILDA BANKEN AB	EUR	2,850,000	4.25%	21-Feb-18	2,900,462	0.05
SVENSKA HANDELSBANKEN AB	EUR	11,750,000	2.25%	14-Jun-18	11,957,139	0.22
UBS AG	EUR	39,640,000	6.00%	18-Apr-18	41,015,857	0.75
<b>Total Corporate Bonds</b>					<b>344,600,592</b>	<b>6.28</b>
<b>Total Transferable Securities and Money Market Instruments</b>					<b>4,012,636,541</b>	<b>73.16</b>
<b>Total Investments</b>					<b>4,012,636,541</b>	<b>73.16</b>
<b>Other assets in excess of liabilities</b>					<b>1,472,081,743</b>	<b>26.84</b>
<b>Total Net Assets</b>					<b>5,484,718,284</b>	<b>100.00</b>

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## US Dollar Liquidity Fund

### Schedule of Investments

As of 30 September 2017

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>CERTIFICATES OF DEPOSIT 52.58%</b>						
ABN AMRO BANK	USD	250,000,000	-	14-Dec-17	249,279,249	1.22
ABN AMRO BANK	USD	200,000,000	-	14-Dec-17	199,438,856	0.98
ABN AMRO BANK	USD	250,000,000	-	15-Dec-17	249,289,016	1.22
ABN AMRO BANK	USD	200,000,000	-	18-Dec-17	199,403,939	0.98
BANCO DEL ESTADO DE CHILE	USD	50,000,000	1.18%	02-Oct-17	50,000,000	0.25
BANCO DEL ESTADO DE CHILE	USD	146,000,000	1.17%	03-Oct-17	146,000,000	0.72
BANCO DEL ESTADO DE CHILE	USD	200,000,000	1.16%	04-Oct-17	200,000,000	0.98
BANK OF AMERICA NA	USD	207,000,000	1.62%	16-Oct-17	207,000,000	1.02
BANK OF MONTREAL	USD	200,000,000	1.36%	15-Dec-17	200,000,000	0.98
BRANCH BANKING & TRUST CO	USD	300,000,000	1.17%	02-Oct-17	300,000,000	1.47
BRANCH BANKING & TRUST CO	USD	100,000,000	1.15%	03-Oct-17	100,000,000	0.49
BRANCH BANKING & TRUST CO	USD	400,000,000	1.15%	04-Oct-17	400,000,000	1.96
CITIBANK NA	USD	88,000,000	1.42%	14-Dec-17	88,000,000	0.43
CITIBANK NA	USD	100,000,000	1.42%	15-Dec-17	100,000,000	0.49
CITIBANK NA	USD	100,000,000	1.42%	19-Dec-17	100,000,000	0.49
CREDIT SUISSE AG	USD	260,000,000	1.49%	25-Oct-17	260,000,000	1.28
DZ BANK AG DEUTSCHE ZENTRAL-GENOSS	USD	95,000,000	1.28%	05-Oct-17	95,000,615	0.47
HSBC BANK PLC	USD	102,000,000	1.70%	01-Nov-17	102,000,000	0.50
HSBC BANK PLC	USD	100,000,000	1.40%	25-May-18	100,000,000	0.49
HSBC BANK PLC	USD	75,000,000	1.44%	25-Jul-18	75,000,000	0.37
HSBC BANK PLC	USD	100,000,000	1.44%	25-Jul-18	100,000,000	0.49
HSBC BANK PLC	USD	100,000,000	1.44%	27-Jul-18	100,000,000	0.49
KBC BANK NV	USD	200,000,000	-	14-Dec-17	199,437,355	0.98
KBC BANK NV	USD	100,000,000	-	15-Dec-17	99,718,340	0.49
KBC BANK NV	USD	300,000,000	-	18-Dec-17	299,107,826	1.47
LLOYDS BANK PLC	USD	62,200,000	1.78%	20-Dec-17	62,247,479	0.31
MIZUHO BANK LTD	USD	200,000,000	1.50%	20-Oct-17	200,000,000	0.98
MIZUHO BANK LTD	USD	40,000,000	1.50%	23-Oct-17	40,000,000	0.20
MIZUHO BANK LTD	USD	40,000,000	1.50%	24-Oct-17	40,000,000	0.20
MIZUHO BANK LTD	USD	150,000,000	-	14-Dec-17	149,577,211	0.74
MIZUHO BANK LTD	USD	100,000,000	-	14-Dec-17	99,715,554	0.49
MIZUHO BANK LTD	USD	50,000,000	-	15-Dec-17	49,853,228	0.25
MIZUHO BANK LTD	USD	200,000,000	-	18-Dec-17	199,389,158	0.98
MIZUHO BANK LTD	USD	50,000,000	-	18-Dec-17	49,849,720	0.25
MIZUHO BANK LTD	USD	175,000,000	1.43%	21-Mar-18	175,000,000	0.86
OVERSEA-CHINESE BANKING CORP	USD	10,000,000	1.31%	02-Oct-17	10,000,000	0.05
OVERSEA-CHINESE BANKING CORP	USD	95,000,000	1.35%	15-Dec-17	95,000,000	0.47
OVERSEA-CHINESE BANKING CORP	USD	200,000,000	1.36%	23-Feb-18	200,000,000	0.98
ROYAL BANK OF CANADA	USD	91,000,000	1.70%	24-Oct-17	91,000,000	0.45
ROYAL BANK OF CANADA	USD	70,000,000	1.37%	26-Apr-18	70,000,000	0.34
ROYAL BANK OF CANADA	USD	130,000,000	1.43%	26-Jun-18	130,000,000	0.64
SUMITOMO MITSUI BANKING CORPORATION	USD	127,000,000	1.16%	03-Oct-17	127,000,000	0.62
SUMITOMO MITSUI BANKING CORPORATION	USD	75,000,000	1.49%	24-Oct-17	75,000,000	0.37
SUMITOMO MITSUI BANKING CORPORATION	USD	200,000,000	1.45%	03-Nov-17	200,000,000	0.98
SUMITOMO MITSUI BANKING CORPORATION	USD	225,000,000	1.42%	22-Nov-17	225,000,000	1.10
SUMITOMO MITSUI TRUST BANK LTD	USD	287,000,000	1.17%	02-Oct-17	287,000,000	1.41
SUMITOMO MITSUI TRUST BANK LTD	USD	300,000,000	1.15%	04-Oct-17	300,000,000	1.47
SUMITOMO MITSUI TRUST BANK LTD	USD	220,000,000	-	14-Dec-17	219,374,219	1.08
SVENSKA HANDELSBANKEN AB	USD	170,000,000	1.38%	27-Dec-17	170,000,000	0.83
SVENSKA HANDELSBANKEN AB	USD	200,000,000	1.36%	25-Jan-18	200,000,000	0.98
SVENSKA HANDELSBANKEN AB	USD	200,000,000	1.35%	25-Jan-18	200,000,000	0.98
SVENSKA HANDELSBANKEN AB	USD	70,000,000	1.37%	23-Feb-18	70,001,467	0.34
SVENSKA HANDELSBANKEN AB	USD	150,000,000	1.36%	24-Apr-18	150,000,000	0.74
SWEDBANK AB	USD	1,000,000,000	1.14%	02-Oct-17	1,000,000,000	4.91
TORONTO DOMINION BANK	USD	14,500,000	1.80%	16-Oct-17	14,502,215	0.07
TORONTO DOMINION BANK	USD	22,100,000	1.70%	16-Oct-17	22,102,516	0.11
TORONTO DOMINION BANK	USD	200,000,000	1.64%	06-Nov-17	200,000,000	0.98
TORONTO DOMINION BANK	USD	225,000,000	1.75%	20-Nov-17	225,000,000	1.10
TORONTO DOMINION BANK	USD	170,000,000	1.51%	11-Dec-17	170,000,000	0.83
TORONTO DOMINION BANK	USD	150,000,000	1.35%	18-Dec-17	150,000,000	0.74
WELLS FARGO BANK NA	USD	21,400,000	1.67%	07-Nov-17	21,401,305	0.11
WELLS FARGO BANK NA	USD	100,000,000	1.37%	19-Dec-17	100,000,000	0.49
WELLS FARGO BANK NA	USD	250,000,000	1.35%	25-Jan-18	250,000,000	1.23

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## US Dollar Liquidity Fund

### Schedule of Investments (continued)

As of 30 September 2017

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>CERTIFICATES OF DEPOSIT 52.58%</b>						
WELLS FARGO BANK NA	USD	200,000,000	1.41%	25-Apr-18	200,000,000	0.98
WELLS FARGO BANK NA	USD	250,000,000	1.42%	25-Apr-18	250,000,000	1.23
<b>Total Certificates of Deposit</b>					<b>10,706,689,268</b>	<b>52.58</b>
<b>COMMERCIAL PAPER - INTEREST BEARING 21.29%</b>						
ASB FINANCE LTD	USD	32,000,000	1.62%	09-Nov-17	32,000,000	0.16
ASB FINANCE LTD	USD	50,000,000	1.39%	23-Mar-18	50,000,000	0.24
ASB FINANCE LTD	USD	117,000,000	1.38%	20-Apr-18	117,000,000	0.57
BNZ INTERNATIONAL FUNDING LTD	USD	100,000,000	1.42%	26-Jun-18	100,000,000	0.49
DBS BANK LTD	USD	200,000,000	1.35%	27-Mar-18	200,000,000	0.98
DBS BANK LTD	USD	150,000,000	1.35%	28-Mar-18	150,000,000	0.74
DZ BANK AG DEUTSCHE ZENTRAL-GENOSS	USD	150,000,000	1.34%	28-Feb-18	150,000,000	0.74
HSBC BANK PLC	USD	25,000,000	1.65%	10-Nov-17	25,000,000	0.12
HSBC BANK PLC	USD	50,000,000	1.65%	13-Nov-17	50,000,000	0.25
HSBC BANK PLC	USD	75,000,000	1.47%	25-Jun-18	75,000,000	0.37
JP MORGAN SECURITIES LLC	USD	278,000,000	1.69%	01-Nov-17	278,000,000	1.36
JP MORGAN SECURITIES LLC	USD	150,000,000	1.41%	25-Jan-18	150,000,000	0.74
NATIONAL AUSTRALIA BANK LTD	USD	90,000,000	1.74%	17-Nov-17	90,000,000	0.44
NATIONAL AUSTRALIA BANK LTD	USD	170,000,000	1.48%	01-Dec-17	170,000,000	0.83
NATIONAL AUSTRALIA BANK LTD	USD	175,000,000	1.57%	08-Mar-18	175,000,000	0.86
OVERSEA-CHINESE BANKING CORP	USD	120,000,000	1.36%	26-Feb-18	120,000,000	0.59
OVERSEA-CHINESE BANKING CORP	USD	150,000,000	1.38%	22-Mar-18	150,000,000	0.74
OVERSEA-CHINESE BANKING CORP	USD	115,000,000	1.37%	22-Mar-18	115,000,000	0.56
OVERSEA-CHINESE BANKING CORP	USD	160,000,000	1.43%	22-Jun-18	160,000,000	0.79
OVERSEA-CHINESE BANKING CORP	USD	175,000,000	1.42%	26-Jun-18	175,000,000	0.86
TORONTO DOMINION BANK	USD	200,000,000	1.40%	23-May-18	200,000,000	0.98
TOYOTA FINANCE AUSTRALIA LTD	USD	75,000,000	1.43%	18-Jan-18	75,000,000	0.37
TOYOTA FINANCE AUSTRALIA LTD	USD	75,000,000	1.44%	11-May-18	75,000,000	0.37
TOYOTA MOTOR CREDIT CORP	USD	75,000,000	1.39%	13-Feb-18	75,000,000	0.37
TOYOTA MOTOR CREDIT CORP	USD	150,000,000	1.39%	16-Feb-18	150,000,000	0.74
TOYOTA MOTOR CREDIT CORP	USD	155,000,000	1.44%	15-Mar-18	155,000,000	0.76
TOYOTA MOTOR CREDIT CORP	USD	200,000,000	1.45%	20-Mar-18	200,000,000	0.98
TOYOTA MOTOR CREDIT CORP	USD	195,000,000	1.41%	24-Apr-18	195,000,000	0.96
TOYOTA MOTOR FINANCE (NETHERLANDS)	USD	80,000,000	1.43%	24-Apr-18	80,000,000	0.39
UNITED OVERSEAS BANK LTD	USD	425,000,000	1.37%	06-Oct-17	425,000,000	2.09
WESTPAC BANKING CORP	USD	93,000,000	1.77%	02-Nov-17	93,000,000	0.46
WESTPAC SECURITIES NZ LTD	USD	81,000,000	1.62%	02-Nov-17	81,000,112	0.39
<b>Total Commercial Paper - Interest Bearing</b>					<b>4,336,000,112</b>	<b>21.29</b>
<b>COMMERCIAL PAPER 15.33%</b>						
ABN AMRO BANK	USD	106,000,000	-	18-Dec-17	105,678,054	0.52
AGENCE CENTRALE DES ORGANISMES	USD	100,000,000	-	06-Oct-17	99,984,761	0.49
AGENCE CENTRALE DES ORGANISMES	USD	120,000,000	-	13-Oct-17	119,948,824	0.59
AGENCE CENTRALE DES ORGANISMES	USD	150,000,000	-	20-Oct-17	149,895,350	0.74
AGENCE CENTRALE DES ORGANISMES	USD	75,000,000	-	20-Oct-17	74,948,119	0.37
AGENCE CENTRALE DES ORGANISMES	USD	400,000,000	-	23-Oct-17	399,674,554	1.96
AGENCE CENTRALE DES ORGANISMES	USD	100,000,000	-	18-Dec-17	99,706,062	0.49
AGENCE CENTRALE DES ORGANISMES	USD	50,000,000	-	22-Dec-17	49,845,461	0.25
BANK NEDERLANDSE GEMEENTEN	USD	250,000,000	-	03-Oct-17	249,991,597	1.23
BANK NEDERLANDSE GEMEENTEN	USD	35,000,000	-	04-Oct-17	34,997,686	0.17
BANQUE ET CAISSE D'EPARGNE DE L'ETAT	USD	91,000,000	-	04-Jan-18	90,662,592	0.45
BANQUE ET CAISSE D'EPARGNE DE L'ETAT	USD	60,000,000	-	12-Jan-18	59,755,200	0.29
BANQUE ET CAISSE D'EPARGNE DE L'ETAT	USD	60,000,000	-	16-Jan-18	59,745,600	0.29
BANQUE ET CAISSE D'EPARGNE DE L'ETAT	USD	65,000,000	-	18-Jan-18	64,719,200	0.32
DBS BANK LTD	USD	127,000,000	-	03-Oct-17	126,995,767	0.62
DBS BANK LTD	USD	100,000,000	-	14-Dec-17	99,728,278	0.49

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## US Dollar Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2017

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>COMMERCIAL PAPER 15.33%</b>						
DNB BANK ASA	USD	350,000,000	-	03-Oct-17	349,989,111	1.72
DZ PRIVATBANK SA	USD	150,000,000	-	22-Mar-18	148,889,847	0.73
ERSTE ABWICKLUNGSANSTALT	USD	121,500,000	-	15-Dec-17	121,162,837	0.60
FEDERATION DES CAISSES DESJARDINS	USD	256,000,000	-	02-Oct-17	256,000,000	1.26
STATE OF THE NETHERLANDS	USD	25,000,000	-	02-Oct-17	25,000,000	0.12
SUNCORP-METWAY LTD	USD	47,000,000	-	14-Dec-17	46,865,619	0.23
SUNCORP-METWAY LTD	USD	45,000,000	-	18-Dec-17	44,865,250	0.22
SUNCORP-METWAY LTD	USD	115,000,000	-	20-Dec-17	114,646,256	0.56
SUNCORP-METWAY LTD	USD	25,000,000	-	12-Mar-18	24,834,528	0.12
SUNCORP-METWAY LTD	USD	54,000,000	-	22-Mar-18	53,615,250	0.26
SUNCORP-METWAY LTD	USD	50,000,000	-	26-Mar-18	49,635,417	0.24
<b>Total Commercial Paper</b>					<b>3,121,781,220</b>	<b>15.33</b>
<b>ASSET BACKED COMMERCIAL PAPER 3.75%</b>						
COLLATERALIZED COMMERCIAL PAPER PROGRAM	USD	60,000,000	1.45%	27-Dec-17	60,000,000	0.29
COLLATERALIZED COMMERCIAL PAPER PROGRAM	USD	115,000,000	1.45%	27-Dec-17	115,000,000	0.56
COLLATERALIZED COMMERCIAL PAPER PROGRAM	USD	150,000,000	1.41%	25-Jan-18	150,000,000	0.74
COLLATERALIZED COMMERCIAL PAPER PROGRAM	USD	175,000,000	1.43%	26-Feb-18	175,000,000	0.86
COLLATERALIZED COMMERCIAL PAPER PROGRAM	USD	100,000,000	1.47%	26-Mar-18	100,000,000	0.49
COLLATERALIZED COMMERCIAL PAPER PROGRAM	USD	50,000,000	1.46%	23-May-18	50,000,000	0.25
METLIFE SHORT TERM FUNDING LLC	USD	45,000,000	-	14-Dec-17	44,876,813	0.22
METLIFE SHORT TERM FUNDING LLC	USD	68,000,000	-	18-Dec-17	67,808,013	0.34
<b>Total Asset Backed Commercial Paper</b>					<b>762,684,826</b>	<b>3.75</b>
<b>FLOATING RATE NOTES 0.06%</b>						
WESTPAC BANKING CORP	USD	12,100,000	1.69%	01-Dec-17	12,104,163	0.06
<b>Total Floating Rate Notes</b>					<b>12,104,163</b>	<b>0.06</b>
<b>Total Transferable Securities and Money Market Instruments</b>					<b>18,939,259,589</b>	<b>93.01</b>
<b>Total Investments</b>					<b>18,939,259,589</b>	<b>93.01</b>
<b>Other assets in excess of liabilities</b>					<b>1,423,502,906</b>	<b>6.99</b>
<b>Total Net Assets</b>					<b>20,362,762,495</b>	<b>100.00</b>

The accompanying notes form an integral part of financial statements.



# MORGAN STANLEY LIQUIDITY FUNDS

## US Dollar Treasury Liquidity Fund

### Schedule of Investments

As of 30 September 2017

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>TREASURY NOTES 38.56%</b>						
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	75,000,000	1.88%	31-Oct-17	75,049,305	3.33
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	50,000,000	0.75%	31-Oct-17	49,988,570	2.22
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	157,000,000	4.25%	15-Nov-17	157,594,445	6.99
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	55,000,000	0.88%	15-Nov-17	54,992,856	2.44
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	356,000,000	2.25%	30-Nov-17	356,684,083	15.82
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	25,000,000	0.88%	30-Nov-17	24,993,407	1.11
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	100,000,000	0.63%	30-Nov-17	99,932,293	4.43
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	50,000,000	1.00%	15-Dec-17	49,990,607	2.22
<b>Total Treasury Notes</b>					<b>869,225,566</b>	<b>38.56</b>
<b>GOVERNMENT BONDS 27.22%</b>						
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	187,100,000	1.22%	31-Oct-17	187,131,792	8.30
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	130,000,000	1.32%	31-Jan-18	130,132,382	5.77
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	146,000,000	1.24%	30-Apr-18	146,189,373	6.49
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	149,750,000	1.23%	31-Jul-18	149,973,183	6.66
<b>Total Government Bonds</b>					<b>613,426,730</b>	<b>27.22</b>
<b>TREASURY BILLS 25.59%</b>						
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	28,000,000	-	12-Oct-17	27,992,922	1.24
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	50,000,000	-	16-Nov-17	49,935,250	2.22
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	15,000,000	-	24-Nov-17	14,978,458	0.66
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	460,000,000	-	14-Dec-17	459,004,361	20.36
GOVERNMENT OF THE UNITED STATES OF AMERICA	USD	25,000,000	-	21-Dec-17	24,943,333	1.11
<b>Total Treasury Bills</b>					<b>576,854,324</b>	<b>25.59</b>
<b>Total Transferable Securities and Money Market Instruments</b>					<b>2,059,506,620</b>	<b>91.37</b>
<b>Total Investments</b>					<b>2,059,506,620</b>	<b>91.37</b>
<b>Other assets in excess of liabilities</b>					<b>194,527,997</b>	<b>8.63</b>
<b>Total Net Assets</b>					<b>2,254,034,617</b>	<b>100.00</b>

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## Sterling Liquidity Fund

Schedule of Investments

As of 30 September 2017

(Expressed in GBP)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>CERTIFICATES OF DEPOSIT 42.20%</b>						
ABN AMRO BANK	GBP	25,000,000	-	20-Nov-17	24,989,607	0.99
BANK OF AMERICA NA	GBP	25,000,000	0.34%	05-Mar-18	25,000,000	0.99
BANQUE FEDERATIVE DU CREDIT MUTUEL	GBP	25,000,000	-	05-Jan-18	24,977,258	0.98
BNP PARIBAS	GBP	25,000,000	0.23%	04-Oct-17	25,000,000	0.99
BNP PARIBAS	GBP	50,000,000	0.23%	18-Oct-17	50,000,000	1.98
BNP PARIBAS	GBP	25,000,000	0.40%	13-Nov-17	25,000,000	0.99
BRED BANQUE POPULAIRE	GBP	10,000,000	0.61%	05-Oct-17	10,000,311	0.39
CANADIAN IMPERIAL BANK OF COMMERCE	GBP	25,000,000	0.40%	19-Mar-18	25,000,000	0.99
CREDIT AGRICOLE CIB	GBP	25,000,000	0.34%	07-Nov-17	25,000,000	0.99
CREDIT AGRICOLE CIB	GBP	25,000,000	0.30%	07-Dec-17	25,000,000	0.99
DANSKE BANK A/S	GBP	38,000,000	0.24%	16-Nov-17	38,000,000	1.50
DANSKE BANK A/S	GBP	25,000,000	0.38%	08-Dec-17	25,000,000	0.99
DANSKE BANK A/S	GBP	25,000,000	0.33%	07-Mar-18	25,000,000	0.99
DANSKE BANK A/S	GBP	20,000,000	0.35%	14-Mar-18	20,000,000	0.79
ING BANK NV	GBP	25,000,000	0.36%	01-Dec-17	25,000,000	0.99
ING BANK NV	GBP	25,000,000	0.26%	11-Dec-17	25,000,000	0.99
ING BANK NV	GBP	25,000,000	-	08-Jan-18	24,973,205	0.98
LLOYDS BANK PLC	GBP	20,000,000	0.28%	09-Oct-17	20,000,287	0.79
LLOYDS BANK PLC	GBP	25,000,000	0.42%	24-Oct-17	25,000,000	0.99
LLOYDS BANK PLC	GBP	25,000,000	0.42%	08-Nov-17	25,000,000	0.99
LLOYDS BANK PLC	GBP	25,000,000	0.34%	04-Jan-18	25,000,000	0.99
MIZUHO BANK LTD	GBP	25,000,000	0.28%	10-Oct-17	25,000,000	0.99
MIZUHO BANK LTD	GBP	25,000,000	-	05-Jan-18	24,979,523	0.98
NATIONWIDE BUILDING SOCIETY	GBP	25,000,000	0.45%	16-Oct-17	25,001,722	0.99
NATIONWIDE BUILDING SOCIETY	GBP	10,000,000	0.42%	13-Nov-17	10,001,836	0.39
NATIXIS	GBP	25,000,000	-	06-Dec-17	24,986,654	0.99
NORDEA BANK AB	GBP	23,000,000	-	12-Feb-18	22,974,058	0.91
NORINCHUKIN BANK	GBP	25,000,000	-	09-Oct-17	24,998,897	0.99
NORINCHUKIN BANK	GBP	20,000,000	-	17-Nov-17	19,993,577	0.79
OVERSEA-CHINESE BANKING CORP	GBP	35,000,000	0.22%	12-Dec-17	35,000,000	1.38
RABOBANK NEDERLAND NV	GBP	25,000,000	0.37%	11-Dec-17	25,000,000	0.99
RABOBANK NEDERLAND NV	GBP	25,000,000	0.33%	05-Mar-18	25,000,000	0.99
SUMITOMO MITSUI BANKING CORPORATION	GBP	25,000,000	-	13-Nov-17	24,991,951	0.99
SUMITOMO MITSUI TRUST BANK LTD	GBP	25,000,000	0.41%	02-Nov-17	25,000,000	0.99
SUMITOMO MITSUI TRUST BANK LTD	GBP	23,000,000	-	08-Nov-17	22,993,708	0.91
SUMITOMO MITSUI TRUST BANK LTD	GBP	25,000,000	-	09-Nov-17	24,989,610	0.99
SVENSKA HANDELSBANKEN AB	GBP	5,000,000	0.22%	19-Oct-17	4,999,977	0.19
SVENSKA HANDELSBANKEN AB	GBP	30,000,000	0.24%	11-Dec-17	30,000,000	1.19
SVENSKA HANDELSBANKEN AB	GBP	30,000,000	0.24%	15-Dec-17	30,000,000	1.19
TORONTO DOMINION BANK	GBP	25,000,000	0.33%	20-Mar-18	25,000,000	0.99
UBS AG	GBP	25,000,000	0.35%	12-Dec-17	25,000,000	0.99
UBS AG	GBP	16,000,000	0.60%	13-Feb-18	16,016,951	0.63
UNITED OVERSEAS BANK LTD	GBP	25,000,000	-	26-Oct-17	24,994,175	0.99
WELLS FARGO BANK INTERNATIONAL	GBP	12,500,000	0.42%	25-Oct-17	12,500,000	0.49
<b>Total Certificates of Deposit</b>					<b>1,067,363,307</b>	<b>42.20</b>
<b>COMMERCIAL PAPER 20.35%</b>						
AGENCE CENTRALE DES ORGANISMES	GBP	25,000,000	-	21-Nov-17	24,992,128	0.99
AGENCE CENTRALE DES ORGANISMES	GBP	25,000,000	-	21-Dec-17	24,986,860	0.99
BANQUE FEDERATIVE DU CREDIT MUTUEL	GBP	20,000,000	-	02-Oct-17	20,000,000	0.79
BANQUE FEDERATIVE DU CREDIT MUTUEL	GBP	25,000,000	-	20-Oct-17	24,994,587	0.99
BANQUE FEDERATIVE DU CREDIT MUTUEL	GBP	20,000,000	-	16-Jan-18	19,981,149	0.79
CAISSE DES DEPOTS ET CONSIGNATIONS	GBP	25,000,000	-	11-Dec-17	24,988,744	0.99
ERSTE ABWICKLUNGSANSTALT	GBP	20,000,000	-	18-Oct-17	19,997,985	0.79
ERSTE ABWICKLUNGSANSTALT	GBP	19,000,000	-	13-Nov-17	18,994,540	0.75
HONDA FINANCE EUROPE PLC	GBP	20,000,000	-	17-Nov-17	19,993,199	0.79
NORDEA BANK AB	GBP	11,000,000	-	13-Nov-17	10,996,963	0.43
NORDEA BANK AB	GBP	25,000,000	-	21-Feb-18	24,970,862	0.99
OP CORPORATE BANK PLC	GBP	10,000,000	-	10-Oct-17	9,999,212	0.40
OP CORPORATE BANK PLC	GBP	10,500,000	-	13-Nov-17	10,496,018	0.41
OP CORPORATE BANK PLC	GBP	10,000,000	-	08-Dec-17	9,993,587	0.39

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## Sterling Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2017

(Expressed in GBP)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS</b>						
<b>COMMERCIAL PAPER 20.35%</b>						
OP CORPORATE BANK PLC	GBP	11,500,000	-	08-Jan-18	11,487,367	0.45
OP CORPORATE BANK PLC	GBP	5,000,000	-	24-Jan-18	4,994,855	0.20
OP CORPORATE BANK PLC	GBP	25,000,000	-	29-Jan-18	24,971,523	0.99
OP CORPORATE BANK PLC	GBP	17,000,000	-	14-Feb-18	16,979,912	0.67
OP CORPORATE BANK PLC	GBP	8,000,000	-	26-Mar-18	7,980,870	0.32
OP CORPORATE BANK PLC	GBP	10,000,000	-	26-Mar-18	9,975,133	0.39
OVERSEA-CHINESE BANKING CORP	GBP	10,000,000	-	30-Oct-17	9,998,160	0.39
OVERSEA-CHINESE BANKING CORP	GBP	25,000,000	-	05-Jan-18	24,979,214	0.99
SUMITOMO MITSUI BANKING CORPORATION	GBP	6,000,000	-	03-Nov-17	5,998,685	0.24
SUMITOMO MITSUI BANKING CORPORATION	GBP	25,000,000	-	07-Nov-17	24,992,608	0.99
SUMITOMO MITSUI BANKING CORPORATION	GBP	30,000,000	-	15-Nov-17	29,990,241	1.19
TOYOTA MOTOR FINANCE (NETHERLANDS)	GBP	12,000,000	-	06-Dec-17	11,993,810	0.47
TOYOTA MOTOR FINANCE (NETHERLANDS)	GBP	40,000,000	-	15-Dec-17	39,974,492	1.58
UBS AG	GBP	25,000,000	-	04-Jan-18	24,973,020	0.99
<b>Total Commercial Paper</b>					<b>514,675,724</b>	<b>20.35</b>
<b>CORPORATE BONDS 4.43%</b>						
BAYERISCHE MOTOREN WERKE AG	GBP	6,683,000	5.00%	02-Oct-17	6,683,000	0.27
BAYERISCHE MOTOREN WERKE AG	GBP	1,306,000	1.75%	20-Nov-17	1,308,213	0.05
EUROPEAN INVESTMENT BANK	GBP	25,000,000	1.38%	15-Jan-18	25,076,071	0.99
KREDITANSTALT FUR WIEDERAUFBAU	GBP	7,641,000	1.00%	07-Dec-17	7,650,985	0.30
LANDESBANK BADEN-WURTEMBERG	GBP	8,280,000	0.88%	15-Dec-17	8,289,472	0.33
NATIONAL AUSTRALIA BANK LTD	GBP	18,194,000	3.63%	08-Nov-17	18,249,769	0.72
NRW.BANK	GBP	42,100,000	0.88%	15-Dec-17	42,148,449	1.67
RABOBANK NEDERLAND NV	GBP	2,597,000	3.25%	01-Nov-17	2,602,788	0.10
<b>Total Corporate Bonds</b>					<b>112,008,747</b>	<b>4.43</b>
<b>FLOATING RATE NOTES 3.84%</b>						
ASB FINANCE LTD	GBP	18,000,000	0.79%	01-May-18	18,040,788	0.71
NATIONAL AUSTRALIA BANK LTD	GBP	25,000,000	0.39%	03-Apr-18	24,998,757	0.99
ROYAL BANK OF CANADA	GBP	2,000,000	0.37%	13-Jun-18	2,000,118	0.08
ROYAL BANK OF CANADA	GBP	25,000,000	0.35%	20-Jul-18	25,002,475	0.99
TORONTO DOMINION BANK	GBP	20,000,000	0.48%	20-Nov-17	20,006,374	0.79
WESTPAC SECURITIES NZ LTD	GBP	7,200,000	0.76%	03-Oct-17	7,200,087	0.28
<b>Total Floating Rate Notes</b>					<b>97,248,599</b>	<b>3.84</b>
<b>COMMERCIAL PAPER - INTEREST BEARING 0.99%</b>						
NATIXIS	GBP	25,000,000	0.29%	04-Oct-17	25,000,000	0.99
<b>Total Commercial Paper - Interest Bearing</b>					<b>25,000,000</b>	<b>0.99</b>
<b>Total Transferable Securities and Money Market Instruments</b>					<b>1,816,296,377</b>	<b>71.81</b>
<b>Total Investments</b>					<b>1,816,296,377</b>	<b>71.81</b>
<b>Other assets in excess of liabilities</b>					<b>713,074,481</b>	<b>28.19</b>
<b>Total Net Assets</b>					<b>2,529,370,858</b>	<b>100.00</b>

The accompanying notes form an integral part of financial statements.

# MORGAN STANLEY LIQUIDITY FUNDS

## Notes to the Financial Statements 30 September 2017

### 1. General information:

Morgan Stanley Liquidity Funds (the “Company”) was incorporated on 21 December 2012 for an unlimited period of time as a self-managed société d’investissement à capital variable under the form of a société anonyme. The Company is authorised under Part I of the Law of 17 December 2010 in accordance with the provisions of the UCITS Directive and listed on the official list of UCITS approved by the Commission de Surveillance du Secteur Financier (the “CSSF”). The registered office of the Company is located at 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

Effective 1 April 2014, Morgan Stanley Investment Management (ACD) Limited (“MSIM (ACD)”) was appointed as Management Company to provide collective portfolio management services to the Company. MSIM (ACD) is authorised by the Financial Conduct Authority in the United Kingdom to provide these services. This change was communicated to investors in the shareholder notices dated 28 February 2014 and was reflected within the updated Prospectus that came into effect on 1 April 2014.

The Company is an “umbrella fund” which is composed of more than one Sub-Fund, each representing a separate portfolio of assets. However, each Sub-Fund is exclusively responsible for all liabilities attributable to it.

The Company currently offers four Sub-Funds: the Euro Liquidity Fund, the US Dollar Liquidity Fund, the US Dollar Treasury Liquidity Fund and the Sterling Liquidity Fund. The Euro Liquidity Fund was launched on 10 January 2013 and the three other Sub-Funds were launched on 17 June 2013.

The Class of Shares that are active (except footnoted differently) as at 30 September 2017 are detailed in the table below:

Name of the Sub-Fund	Class of Shares	Launch date
Euro Liquidity Fund	Institutional Shares	17 June 2013
	Institutional Accumulation Shares	17 June 2013
	Institutional Select Shares*	31 August 2017
	Institutional (+1) Accumulation Shares	24 May 2016
	MS Reserve Shares	17 June 2013
US Dollar Liquidity Fund	Advantage Accumulation Shares	17 June 2013
	Advisory Shares**	16 August 2016
	Institutional Shares	17 June 2013
	Institutional Accumulation Shares	17 June 2013
	Institutional Select Shares	16 January 2014
	Master Shares	9 September 2013
	MS Reserve Shares	17 June 2013
Qualified Accumulation Shares***	15 March 2016	
US Dollar Treasury Liquidity Fund	Advisory Shares**	16 August 2016
	Institutional Shares	17 June 2013
	Institutional Select Shares	16 January 2014
	MS Reserve Shares	17 June 2013
Sterling Liquidity Fund	Institutional Shares	17 June 2013
	Institutional Accumulation Shares	17 June 2013
	Institutional Select Shares	26 June 2014
	MS Reserve Shares****	28 November 2013
	Qualified Shares	17 June 2013

\* Share class was fully redeemed on 19 October 2016 hence was inactive and re-launched on 31 August 2017 at a price of USD 1.00.

\*\* Share class was fully redeemed on 24 February 2016 hence was inactive and re-launched on 16 August 2016 at a price of USD 1.00.

\*\*\* Share class was fully redeemed on 4 September 2015 hence was inactive and re-launched on 15 March 2016 at a price of USD 100.00.

\*\*\*\* Share class was fully redeemed on 28 March 2017.

# MORGAN STANLEY LIQUIDITY FUNDS

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## Notes to the Financial Statements (continued) 30 September 2017

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### 1. General information: (continued)

Each Sub-Fund's Investment objective is to provide investors with liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital.

Each Sub-Fund has its own Investment policy but all are classified as Short-Term Money Market Funds in accordance with CESR guidelines on a common definition of European money market funds (CESR/10-049).

The Board of Directors of the Company adopted the principles of the ALFI Code of Conduct, designed to provide the Board with a framework of principles and best practice recommendations for the governance of the Company.

### 2. Summary of Significant Accounting Policies:

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in Luxembourg.

#### (a) Valuation of Investments

The securities, money market instruments and other instruments are valued based on their amortised cost. Under this method, amortised cost is determined by valuing an instrument at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instruments.

The Company generally uses the amortised cost method of valuation to determine the value of the following investments, provided that such investments comply with the conditions set out in "*Determination of the Net Asset Value*" within the Company's prospectus: (i) investments with a residual maturity of fifteen months or less or (ii) floating rate investments with a residual maturity of two years or less (measured to the date on which the issuer must unconditionally repay the principal amount to the Company on foot of either maturity, put option or other repayment demand feature), where the Board of Directors have determined that the investment has a market value that approximates its amortised cost value and the investment has an annual or shorter interval coupon/interest rate re-fix or (iii) floating rate investments which meet the conditions described in (ii) above except that they have a residual maturity of up to five years, provided that they are of high credit quality and are issued by the US government, an agency or instrumentality of the US government, the government of an Organisation for Economic Co-operation and Development (OECD) member, an agency or instrumentality of such government or by the government of a Member State or an agency or instrumentality of such government.

Subject to the above, the Board of Directors uses the amortised cost method of valuation of any investments of a Fund which is a Money Market Fund or a Short Term Money Market Fund unless it is not appropriate to use such method in respect of certain investment(s) of such Fund, in which case one of the other methods of valuation outlined below is used.

The Administrator determines at least weekly the extent to which the Net Asset Value of the relevant Fund or Class using this method of valuation deviates from the Net Asset Value which would be obtained using available market quotations. Deviations in excess of 0.10% between the market value and the amortised cost value are brought to the attention of the Investment Adviser. Deviations in excess of 0.15% between the market value and the amortised cost value of the relevant Fund or Class are brought to the attention of the Board of Directors and the Depositary. If this deviation exceeds 0.25% of the Net Asset Value of the relevant Fund, the Administrator reviews the valuation daily and the Board of Directors takes such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, any such deviation. Notwithstanding the generality of the foregoing, the Board of Directors utilises the market value of any individual investment in the event that the market value of that investment deviates by more than 1% from its amortised cost valuation. As at 30 September 2017 and 31 March 2017 there were no deviations in excess of 0.10%.

#### (b) Security Transactions

When applicable, security transactions are accounted for on the trade date.

# MORGAN STANLEY LIQUIDITY FUNDS

## Notes to the Financial Statements (continued) 30 September 2017

### 2. Summary of Significant Accounting Policies: (continued)

#### (c) Interest Income

Interest income is accrued daily and includes the amortisation of premiums and accretion of discounts. Interest income is recognised on an accrual basis and is shown net of withholding taxes, except where the withholding tax has been recovered or is receivable. It is possible for the interest income of a Sub-Fund to be negative depending on market conditions.

#### (d) Cash

Cash and other liquid assets are valued at their face value plus interest accrued, where applicable. It is possible for the interest accrual of a Sub-Fund to be negative depending on market conditions.

#### (e) Foreign currency translation

Financial statements are presented for each Sub-Fund in the base currency of the Sub-Fund. The combined Statement of Net Assets, Statement of Operations and Changes in Net Assets are presented in US dollars, based on the exchange rate ruling at the date of these financial statements and on the average exchange rate over the reporting period for the Statement of Operations and Changes in Net Assets.

The currency exchange rates against the US Dollar were as follows:

as of 30 September 2017	as of 31 March 2017
1 USD = 0.845881 EUR	1 USD = 0.934972 EUR
1 USD = 0.745351 GBP	1 USD = 0.799712 GBP

The average currency exchange rates against the US Dollar were as follows:

as of 30 September 2017	as of 31 March 2017
1 USD = 0.880233 EUR	1 USD = 0.911952 EUR
1 USD = 0.773024 GBP	1 USD = 0.767960 GBP

#### (f) Reverse repurchase agreement valuation policy

The Company may enter into reverse repurchase transactions which consist of the purchase and sale of securities, backed by collateral, with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement. These are valued at par value.

### 3. Dividends and Distributions:

The Directors intend to declare all net income of the Euro Liquidity Fund, US Dollar Liquidity Fund, US Dollar Treasury Liquidity Fund and Sterling Liquidity Fund with the exception of Institutional Accumulation Shares, Institutional Select Accumulation Shares, Institutional (+1) Accumulation Shares, Qualified Accumulation Shares, Administrative Accumulation Shares, Advisory Accumulation Shares, Advantage Accumulation Shares, MS Reserve Accumulation Shares, and Master Accumulation Shares ("the Accumulating Share Classes") on each Dealing Day as a dividend to Shareholders on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share of each class at €1.00 in the case of the Euro Liquidity Fund, US\$1.00 in the case of the US Dollar Liquidity Fund, US\$1.00 in the case of the US Dollar Treasury Liquidity Fund and £1.00 in the case of the Sterling Liquidity Fund. Dividends are declared daily and are payable monthly on or about the first Business Day of each following month. For this purpose, net income of each Sub-Fund (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by each Sub-Fund and realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of each Sub-Fund.

In the case of the Accumulating Classes of Shares, the US Dollar Liquidity Fund, Euro Liquidity Fund, Sterling Liquidity Fund and US Dollar Treasury Liquidity Fund intend to retain the net income and/or capital gains attributable to such Classes of Shares and the value of these Classes of Shares.

# MORGAN STANLEY LIQUIDITY FUNDS

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## Notes to the Financial Statements (continued) 30 September 2017

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### 3. Dividends and Distributions: (continued)

Where there are substantial adverse movements in interest rates, there can be no assurance that the Sub-Funds will be successful in maintaining positive net investment income. Where a Sub-Fund posts negative net investment income, in order to maintain a stable Net Asset Value per Share for Distributing Classes of Shares, the Management Company shall address such by the compulsory redemption equally of such number of Shares held by each Shareholder in the relevant Class of Shares required to cover the negative net income of that Class of Share, with the proceeds of each such redemption being retained by the Sub-Fund. In the case of Accumulating Classes of Shares, the Net Asset Value per Share will decrease in lieu of the compulsory redemption of Shares.

### 4. Management Company Services Agreement, Investment Advisory Agreement, Depositary Agreement, Administration Agreement, Registrar and Transfer Agent Agreement, Paying Agent Agreement, Domiciliary Agreement and Distribution Agreement:

The Board of Directors of the Company has appointed MSIM (ACD) as designated management company (the "Management Company") pursuant to the Management Company Services Agreement dated 1 April 2014<sup>1</sup>.

The Management Company is responsible for providing collective portfolio management services (including investment management, administrative and distribution services), risk management and other administrative and operational services to the Company, subject to the overall supervision and control of the Company.

The Management Company has delegated to Morgan Stanley Investment Management Inc., the function of Investment Adviser of the Sub-Funds pursuant to an investment advisory agreement dated 1 April 2014 (the "Investment Advisory Agreement"). The Company may terminate its appointment immediately where it is in the best interest of Shareholders to do so.

The Board of Directors of the Company has appointed The Bank of New York Mellon (International) Limited, Luxembourg Branch (the "Depositary") as the depositary of all of the Company's assets, including its cash and securities, which are held either directly or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depositary or clearing systems. The rights and duties of the Depositary are governed by the Depositary Agreement entered into on 7 March 2016 for an unlimited period of time from the date of its signature.

The Management Company has delegated to The Bank of New York Mellon (International) Limited, Luxembourg Branch (the "Administrator") the function of Administrator pursuant to the Administration Agreement dated 7 March 2016. The Administrator carries out all administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares, the provision of accounting services to the Company and notices and other documents to the Shareholders.

The Management Company has also delegated to the Administrator the function of registrar and transfer agent of the Company pursuant to the Administration Agreement dated 7 March 2016. In this function the Administrator processes all subscriptions, redemptions and transfers of Shares and will register these transactions in the share register of the Company.

The Management Company has also appointed the Administrator as the paying agent of the Company pursuant to the Administration Agreement dated 7 March 2016. In this function the Administrator assists in the payment of dividends declared by the Company to its Shareholders.

Pursuant to a Domiciliary Agreement, the Management Company has appointed Morgan Stanley Investment Management Limited, Luxembourg Branch, as its Domiciliary Agent to provide the Company's registered office, to store its corporate documents and to perform other related administrative functions.

The Management Company has appointed Morgan Stanley Investment Management Limited to act as Distributor pursuant to the Distribution Agreement dated 1 April 2014. In this respect, it may engage certain financial institutions (Intermediaries) to solicit and sell Shares to investors.

<sup>1</sup> By way of a referendum, on 23 June 2016, the United Kingdom voted to leave the European Union. It is acknowledged that uncertainty exists in relation to the United Kingdom's future relationship with the European Union and specifically with regards to current 'passporting' which permits the management Company (MSIM ACD), as a UK company, to sponsor an umbrella domiciled within Luxembourg. The Management Company are closely monitoring this and indeed all other Brexit related developments to ensure that any potential impact to the Company and its Unitholders is managed in good faith and communicated appropriately.

# MORGAN STANLEY LIQUIDITY FUNDS

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## Notes to the Financial Statements (continued) 30 September 2017

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### 5. Taxation:

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. However, the Company is liable in Luxembourg to a reduced rate of subscription tax (“taxe d’abonnement”) of 0.01% per annum of its net assets, such tax being payable quarterly and calculated on the total Net Asset Value of the Company at the end of the relevant quarter.

Pursuant to Article 175 b) of the Law, an exemption from the subscription tax may be applicable where a Fund or Class meets the following criteria: (i) the Shares of the Fund or the Class must be reserved for Institutional Investors; (ii) the exclusive object of the Fund's portfolio must be the investment in money market instruments and/or deposits with credit institutions; (iii) the remaining average maturity of the Fund's portfolio must be less than 90 days, and (iv) the Fund must benefit from the highest possible rating of a recognised rating agency.

Under the aforementioned legislation and regulations prevailing in Luxembourg, Master Shares, Master Accumulation Shares, Qualified Shares, Qualified Accumulation Shares, Advantage Shares, Advantage Accumulation Shares are subject to annual subscription tax (“taxe d’abonnement”) at a reduced rate of 0.01% per annum of their net assets. The remaining Classes of Shares listed within the Company’s prospectus are exempt from this tax.

The Company is registered for VAT in Luxembourg and is required to self-assess for Luxembourg VAT on services received from outside Luxembourg (that are considered taxable under Luxembourg VAT rules).

In respect of any Sub-Fund or Class of Shares the Management Company may choose (in the event that the TER is exceeded) to waive all or any portion of its subscription tax (“taxe d’abonnement”) and/or absorb some or all other expenses in its absolute discretion for any period of time. This waiver is entirely voluntary and may be discontinued at any time without notice at the sole discretion of the Management Company.

### 6. Fees and expenses:

#### (a) Service Provider Fees

The Company shall pay the Management Company a Management Fee in respect of each Sub-Fund, the particulars of which are set out in "*Fund Particulars*" within the Company’s prospectus. In addition, the Company is responsible for all of the Management Company’s reasonable cash disbursements, including but not limited to out-of-pocket expenses, provided however that the Management Company shall be required to provide the Company with evidence of any such disbursement.

The fees of the Investment Adviser, the Depositary, the Administrator and the Distributor appointed in respect of each Sub-Fund (all of which fees are payable monthly in arrears) will be paid by the Management Company out of the Management Fee it receives. The Management Company may instruct the Company to pay any of these fees to the Investment Adviser, the Depositary, the Administrator directly out of the assets of the Company. In such case, the Management Fee due to the Management Company is reduced accordingly.

In respect of any Sub-Fund or Class of Shares the Management Company may choose to waive all or any portion of its fee and/or absorb some or all other expenses in its absolute discretion for any period of time. This waiver is entirely voluntary and may be discontinued at any time without notice at the sole discretion of the Management Company.



## MORGAN STANLEY LIQUIDITY FUNDS

### Notes to the Financial Statements (continued) 30 September 2017

#### 6. Fees and expenses: (continued)

##### (a) Service Provider Fees (continued)

The maximum chargeable Management fee rates as at 30 September 2017 were as follows:

Name of the Sub-Fund	Class of Shares	Management Fee Rate
Euro Liquidity Fund	Institutional Shares	0.20% per annum of the NAV
	Institutional Accumulation Shares	0.20% per annum of the NAV
	Institutional Select Shares	0.25% per annum of the NAV
	Institutional (+1) Accumulation Shares	0.20% per annum of the NAV
	MS Reserve Shares	Nil
US Dollar Liquidity Fund	Advantage Accumulation Shares	0.45% per annum of the NAV
	Advisory Shares	0.45% per annum of the NAV
	Institutional Shares	0.20% per annum of the NAV
	Institutional Accumulation Shares	0.20% per annum of the NAV
	Institutional Select Shares	0.25% per annum of the NAV
	Master Shares	Nil
	MS Reserve Shares	Nil
US Dollar Treasury Liquidity Fund	Qualified Accumulation Shares	0.20% per annum of the NAV
	Advisory Shares	0.45% per annum of the NAV
	Institutional Shares	0.20% per annum of the NAV
	Institutional Select Shares	0.25% per annum of the NAV
Sterling Liquidity Fund	MS Reserve Shares	Nil
	Institutional Shares	0.20% per annum of the NAV
	Institutional Accumulation Shares	0.20% per annum of the NAV
	Institutional Select Shares	0.25% per annum of the NAV
	Qualified Shares	0.20% per annum of the NAV

##### (b) Director's Remuneration

The Directors are paid an annual fee of Euro 30,000 by the Company for their services as Directors. The Chairman of the Board receives an additional Euro 5,000 in respect of his chairman duties. In addition, the Directors are also entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors.

In respect of any Sub-Fund or Class of Shares the Management Company may choose (in the event that the TER is exceeded) to waive all or any portion of its Director's Remuneration and/or absorb some or all other expenses in its absolute discretion for any period of time. This waiver is entirely voluntary and may be discontinued at any time without notice at the sole discretion of the Management Company.

##### (c) Ongoing Charges and Expenses

The Company pays any expenses in respect of circulating details of the Net Asset Value, stamp duties, taxes, company secretarial fees, insurance, the fees and expenses of the auditors, tax and legal advisers and fees connected with listing on any stock exchange and the costs of regulatory bodies, trade bodies and rating agencies. The costs of printing and distributing reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of registering the Company for sale in any jurisdiction, the fees and expenses of any paying or information agents, or correspondent banks, the fees and expenses of any representative appointed in respect of the Company in any jurisdiction, the cost of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) are also paid by the Company. The Management Company has chosen to reimburse these expenses to all the share classes in the funds in order to reduce the impact the fees may have on the net returns of the Fund. This reimbursement is entirely voluntary and may be discontinued at any time without notice at the sole discretion of the Management Company.

# MORGAN STANLEY LIQUIDITY FUNDS

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## Notes to the Financial Statements (continued) 30 September 2017

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### 6. Fees and expenses: (continued)

#### (d) Establishment Charges and Expenses

The cost of establishing the Company and the expenses of the initial offer of Shares in the Sub-Funds, the preparation and printing of the initial Prospectus, marketing costs and the fees of all professionals relating to it were borne by the Distributor of the fund.

### 7. Related Party Holdings, Transactions and Affiliations:

Morgan Stanley Investment Funds - US Dollar Liquidity Fund (the "Feeder Fund"), which is administered by J.P. Morgan Bank Luxembourg S.A., is a feeder fund of the Company's US Dollar Liquidity Fund (the "Master Fund"). The Feeder Fund invests at least 85% of its assets in shares of the Master Fund (Master Share Class).

As of 30 September 2017, the Feeder Fund held 24% of the net asset value of the Master Fund, or 100% of the Master Class of Share within the Master Fund.

Morgan Stanley Investment Funds was incorporated on 21 November 1988 under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable" ("SICAV") and is registered as an undertaking for collective investment pursuant to Part 1 of the Law of 17 December 2010. The 2010 Law transposes the recast UCITS Directive (Directive 2009/65/EC) into Luxembourg legislation.

A number of other Sub-Funds of Morgan Stanley Investment Funds invest into the Company from time to time. These transactions were all executed in the normal course of business at arm's length.

The Sub-Funds of Morgan Stanley Investment Funds that held shares in the Company's Euro Liquidity Fund as at 30 September 2017 were as follows:

- Absolute Return Fixed Income Fund
- Diversified Alpha Plus Fund
- Global Multi-Asset Opportunities Fund (formerly known as Diversified Alpha Plus Low Volatility Fund prior to 20 June 2017)
- Emerging Europe, Middle East and Africa Equity Fund
- Euro Bond Fund
- Euro Corporate Bond Fund
- Euro Strategic Bond Fund
- European Currencies High Yield Bond Fund
- European Equity Alpha Fund
- European Property Fund
- Eurozone Equity Alpha Fund
- Global Balanced Risk Control Fund of Funds
- Global Bond Fund
- Short Maturity Euro Bond Fund
- Global Buy and Hold 2020 Bond Fund
- European Champions Fund

The Sub-Funds of Morgan Stanley Investment Funds that held shares in the Company's US Dollar Liquidity Fund as at 30 September 2017 were as follows:

- Asian Fixed Income Opportunities Fund
- Asia-Pacific Equity Fund
- Emerging Europe, Middle East & Africa Equity Fund
- Emerging Leaders Equity Fund
- Emerging Markets Corporate Debt Fund
- Emerging Markets Debt Fund
- Emerging Markets Domestic Debt Fund
- Emerging Markets Equity Fund
- Emerging Markets Fixed Income Opportunities Fund
- Frontier Emerging Markets Equity Fund
- Global Credit Fund
- Global Fixed Income Opportunities Fund
- Global High Yield Bond Fund

## MORGAN STANLEY LIQUIDITY FUNDS

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Notes to the Financial Statements (continued)  
30 September 2017

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### 7. Related Party Holdings, Transactions and Affiliations: (continued)

Global Mortgage Securities Fund  
Global Premier Credit Fund  
Latin American Equity Fund  
Liquid Alpha Capture Fund  
Global Convertible Bond Fund  
European Currencies High Yield Bond Fund  
Euro Strategic Bond Fund  
Euro Corporate Bond Fund  
Global Bond Fund  
Asian Equity Fund  
Global Buy and Maintain Bond Fund

The Sub-Funds of Morgan Stanley Investment Funds that held shares in the Company's US Dollar Treasury Liquidity Fund as at 30 September 2017 were as follows:

Asian Property Fund  
Global Advantage Fund  
Global Brands Fund  
Global Discovery Fund  
Global Infrastructure Fund  
Global Opportunity Fund  
Global Property Fund  
Global Quality Fund  
International Equity (Ex US) Fund  
US Advantage Fund  
US Growth Fund  
US Insight Fund  
US Property Fund  
Global Brands Equity Income Fund

No Sub-Fund of Morgan Stanley Investment Funds held shares in the Company's Sterling Liquidity Fund.

The affiliations of the Board of Directors of the Company are as follows:

All the Directors of Morgan Stanley Liquidity Funds are also Directors of Morgan Stanley Investment Funds.

Ms. Judith Eden\* and Mr. Andrew Mack, Directors of Morgan Stanley Liquidity Funds, are also non-executive Directors of the Management Company Morgan Stanley Investment Management (ACD) Limited.

The Investment Advisor, the Sub-Investment Advisor, the Management Company, the Domiciliary Agent and the Distributor are related parties to the Company following the contractual arrangement disclosed in note 4.

No portfolio transactions of the Company that occurred during the period were executed through affiliated firms or brokers.

\* Resigned effective 1 October 2017.

## MORGAN STANLEY LIQUIDITY FUNDS

### Notes to the Financial Statements (continued) 30 September 2017

#### 8. Reverse Repurchase Transactions:

As at 30 September 2017, the Euro Liquidity Fund and US Dollar Liquidity Fund had entered into reverse repurchase transactions. The total commitment of the reverse repurchase agreements are as follows:

Name of the Sub-Fund	Description	Tri-Party Agent	Reverse Repurchase Transactions	CCY	Market Value of Collateral Received	CCY
Euro Liquidity Fund	Citigroup Global Markets / -0.49% / 02/10/2017	Euroclear	100,000,000	EUR	102,000,001	EUR
	<b>Total</b>		<b>100,000,000</b>	<b>EUR</b>	<b>102,000,001</b>	<b>EUR</b>
US Dollar Liquidity Fund	JP Morgan Securities LLC / 1.07% / 02/10/2017	JP Morgan Securities	200,000,000	USD	204,003,348	USD
	<b>Total</b>		<b>200,000,000</b>	<b>USD</b>	<b>204,003,348</b>	<b>USD</b>

The collateral received by the Sub-Funds in respect of reverse repurchase transactions as at 30 September 2017 is outlined in section II of Appendix 1: Securities Financing Transaction Regulations.

During the financial period, interest received by and charged to the Sub-Funds in relation to reverse repurchase transactions were recorded under the heading "Interest" within the Statement of Operations and Changes in Net Assets. These values are outlined in section V of Appendix 1. There are no other direct or indirect costs relating to reverse repurchase transactions.

#### 9. Time Deposits:

As at 30 September 2017, the Sub-Funds Euro Liquidity Fund, US Dollar Liquidity Fund and Sterling Liquidity Fund held time deposits as follows:

Name of the Sub-Fund	Counterparty	Currency	Holdings	Interest (%)	Maturity Date
Euro Liquidity Fund	BNP Paribas	EUR	318,569,872	(0.50)	2-Oct-17
	Sumitomo Mitsui Banking Corporation	EUR	274,903,720	(0.49)	2-Oct-17
	Rabobank Nederland NV	EUR	274,598,256	(0.50)	2-Oct-17
	Sumitomo Mitsui Trust Bank Ltd	EUR	274,593,231	(0.50)	2-Oct-17
	DZ Bank AG Deutsche Zentral-Genoss	EUR	199,607,057	(0.50)	2-Oct-17
	Bred Banque Populaire	EUR	149,591,194	(0.46)	2-Oct-17
	<b>Total</b>		<b>EUR</b>	<b>1,491,863,330</b>	

Name of the Sub-Fund	Counterparty	Currency	Holdings	Interest (%)	Maturity Date
US Dollar Liquidity Fund	BNP Paribas	USD	256,000,000	1.07	2-Oct-17
	Australia and New Zealand Banking	USD	250,000,000	1.07	2-Oct-17
	Credit Agricole CIB	USD	227,000,000	1.06	2-Oct-17
	National Bank Of Canada	USD	186,000,000	1.06	2-Oct-17
	Canadian Imperial Bank Of Commerce	USD	150,000,000	1.05	2-Oct-17
	Natixis	USD	75,000,000	1.08	2-Oct-17
	Skandinaviska Enskilda Banken AB	USD	50,000,000	1.06	2-Oct-17
	National Australia Bank Ltd	USD	49,000,000	1.05	2-Oct-17
<b>Total</b>		<b>USD</b>	<b>1,243,000,000</b>		

## MORGAN STANLEY LIQUIDITY FUNDS

### Notes to the Financial Statements (continued) 30 September 2017

#### 9. Time Deposits: (continued)

Name of the Sub-Fund	Counterparty	Currency	Holdings	Interest (%)	Maturity Date
Sterling Liquidity Fund	Sumitomo Mitsui Trust Bank Ltd	GBP	135,079,272	0.21	2-Oct-17
	Rabobank Nederland NV	GBP	135,060,639	0.18	2-Oct-17
	Sumitomo Mitsui Banking Corporation	GBP	135,018,614	0.21	2-Oct-17
	Bred Banque Populaire	GBP	131,501,427	0.22	2-Oct-17
	Commonwealth Bank Of Australia	GBP	131,313,101	0.25	2-Oct-17
	DZ Bank AG Deutsche Zentral-Genoss	GBP	43,990,276	0.19	2-Oct-17
	<b>Total</b>	<b>GBP</b>	<b>711,963,329</b>		

#### 10. Indemnifications:

The Company has arrangements in place for the indemnification of the members of its Board of Directors, the Administrator, the Depositary and the Management Company (the "Indemnified Parties") in certain circumstances, which exclude the Indemnified Parties' own negligence, wilful default, or fraud.

#### 11. Transaction Costs:

There were no transaction costs charged to the Sub-Funds during the period ended 30 September 2017.

#### 12. Determination of Global Exposure:

The methodology used in order to calculate the Global Exposure resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

#### 13. Statement of Portfolios changes:

The list of changes in the portfolio for the period is available free of charge at the registered office of the Management Company.

#### 14. Counterparty Risk:

All instruments listed in Notes 8 and 9 are transacted through third parties. The Company is subject to the risk that counterparties will not be able to fulfil their obligations with respect to transactions, positions, balances or otherwise, whether due to insolvency, bankruptcy or other causes. In such case, the Company may be able to recover none or only a portion of its assets held with such counterparty. This could subject the Company to substantial losses.

#### 15. Significant events:

Judith Eden resigned as Director of the Management Company effective 1 July 2017 and as Director of the Board of Directors of the Company effective 1 October 2017.

European Money Market Fund (MMF) Regulation was agreed upon between the European Council and Parliament in December 2016. Both short-term MMFs and standard MMFs (per European Securities and Markets Authority definition) remain. Three Short Term MMF types were introduced; Public Debt Constant Net Asset Value (CNAV) MMF, Low Volatility (LVNAV) MMF and Variable Net Asset Value (VNAV) MMF. Trigger based liquidity fees and redemption gates are new features that apply to both Public Debt CNAV MMFs and LVNAV MMFs.

The Money Market Fund Regulation was published in the EU official journal on 30 June 2017. The Regulation comes into force on 21 July 2018 and existing Funds will have to be compliant by 21 January 2019. The Management Company will ensure the Fund is compliant within the regulatory deadlines and will ensure investors are communicated to accordingly.

There were no other significant events during the period.

## MORGAN STANLEY LIQUIDITY FUNDS

### Appendix 1: Securities Financing Transactions Regulation

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include reverse repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's only involvement in and exposures related to securities financing transactions is its engagement in reverse repurchase activity for the period ended 30 September 2017 as detailed below:

#### I. Global Data

*Amount of assets engaged in Reverse Repurchase Transactions*

The following table details the total value of assets engaged in reverse repurchase transactions as at 30 September 2017:

Sub-Fund Name	Sub-Fund Currency	Market Value in Sub-Fund Currency	% of Total Net Assets Value
Euro Liquidity Fund	EUR	100,000,000	1.82%
US Dollar Liquidity Fund	USD	200,000,000	0.98%

#### II. Concentration Data

*Collateral Issuers*

The following table lists the issuers by value of non-cash collateral received by the Sub-Funds in respect of reverse repurchase transactions as at 30 September 2017:

Issuer Name	Collateral Market Value (in Sub-Fund Currency)	
	Euro Liquidity Fund	US Dollar Liquidity Fund
	EUR	USD
Federal Home Loan Banks	-	204,003,348
Government of the Kingdom of Spain	44,220,917	-
Government of the Kingdom of Italy	57,779,084	-
<b>Total</b>	<b>102,000,001</b>	<b>204,003,348</b>

*Counterparties*

The following table lists the counterparties by value of assets engaged in reverse repurchase transactions as at 30 September 2017:

Sub-Fund Name	Counterparty	Incorporation Country	Settlement and Clearing	Currency	Market Value of Reverse Repurchase Transactions
Euro Liquidity Fund	Citigroup Global Markets Ltd	United States of America	Tri-party	EUR	100,000,000
US Dollar Liquidity Fund	JP Morgan Securities	United States of America	Tri-party	USD	200,000,000

## MORGAN STANLEY LIQUIDITY FUNDS

### Appendix 1: Securities Financing Transactions Regulation (continued)

#### III. Aggregate Transaction Data

##### *Type, currency and quality of collateral*

Non-cash collateral received by each Sub-Fund in respect of reverse repurchase transactions as at the reporting date is in the form of fixed income instruments issued by United States government sponsored enterprises or by governments of the following countries: Italy and Spain.

All collateral received is denominated in the same currency as each respective Sub-Fund.

All of the Sub-Funds' securities collateral have a credit rating of investment grade. Quality of collateral has been interpreted as pertaining to fixed income instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated. These designations are derived from the credit rating issued to the security or its issuer by at least one globally recognised credit rating agency, such as Standard & Poor's and Moody's. Fixed income instruments with a credit rating between 'AAA' and 'BBB' are deemed as investment grade. Credit ratings for fixed income instruments below these designations are considered below investment grade.

Sub-Fund Name	Sub-Fund Currency	Type of Collateral	Quality of Collateral	Collateral Market Value (in Sub-Fund Currency) Total
Euro Liquidity Fund	EUR	Fixed Income	Investment grade	102,000,001
US Dollar Liquidity Fund	USD	Fixed Income	Investment grade	204,003,348

##### *Maturity tenure of collateral*

The following table provides an analysis of the maturity tenor of collateral received in relation to the reverse repurchase transactions as at the reporting date:

Sub-Fund Name	Sub-Fund Currency	Collateral Market Value (in Sub-Fund Currency)						
		1 day	2 to 6 days	1 to 4 weeks	1 to 3 months	3 to 12 months	more than 1 year	open maturity
Euro Liquidity Fund	EUR	-	-	-	4,004,943	48,588,389	49,406,669	-
US Dollar Liquidity Fund	USD	-	-	-	-	-	204,003,348	-

##### *Maturity tenure of reverse repurchase transactions*

All transactions as at 30 September 2017 were entered into for a duration of one business day of the respective Sub-Fund.

#### IV. Re-use of Collateral

Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged. As the collateral in receipt for reverse repurchase transactions is entirely in the form of securities, there is no re-use of this collateral.

#### V. Safekeeping of Collateral

##### *Collateral Received*

Whilst there are several Tri-Party Agents who hold the collateral received by the Sub-Funds, it is the Depository, The Bank of New York Mellon (International) Limited, Luxembourg Branch, who is ultimately responsible for the safekeeping of the collateral on behalf of these Sub-Funds. All collaterals are held in segregated accounts.

## MORGAN STANLEY LIQUIDITY FUNDS

### Appendix 1: Securities Financing Transactions Regulation (continued)

#### V. Safekeeping of Collateral (continued)

##### *Collateral Granted*

No collateral is granted by the Company as part of the reverse repurchase transactions.

##### *Return and Cost*

All returns from reverse repurchase transactions will accrue to the Sub-Funds and are not subject to any returns sharing arrangements with the Management Company, the Investment Advisor or any other third parties.

The following table provides an analysis of return and cost in respect of the reverse repurchase transactions for the period ended 30 September 2017:

Sub-Fund Name	Sub-Fund Currency	<i>in Sub-Fund Currency</i>	
		Interest received by Sub-Funds	Interest charged to Sub-Funds
Euro Liquidity Fund	EUR	-	(856,674)
US Dollar Liquidity Fund	USD	1,335,013	-
US Dollar Treasury Liquidity Fund	USD	850,151	-
Sterling Liquidity Fund	GBP	18,137	-

There are no other direct or indirect costs relating to reverse repurchase transactions.



Qualified Investors in Switzerland can obtain the documents of the Company, such as the Prospectus, the KIIDs, the Articles of Incorporation and the semi-annual and annual reports, and further information free of charge from the Swiss representative: Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. The place of jurisdiction regarding the distribution of interests to qualified investors in Switzerland is Geneva.