
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 2018

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MORGAN STANLEY LIQUIDITY FUNDS

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MORGAN STANLEY LIQUIDITY FUNDS

Directors and Service Providers

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

Diane Jane Hosie (appointed effective 17 July 2018)
Executive Director
United Kingdom

Carine Feipel (appointed effective 17 July 2018)
Non-Executive Director
Grand Duchy of Luxembourg

Susanne van Dootingh (appointed effective 17 July 2018)
Non-Executive Director
Netherlands

Management Company

Morgan Stanley Investment Management (ACD) Limited
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Directors of the Management Company

Andrew Mack
Non-Executive Director
United Kingdom

Eimear Cowhey
Non-Executive Director
Ireland

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, 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 2018

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)	2,882,431,655	19,007,209,226	2,907,559,185	1,591,522,094	27,338,141,796
Time deposits (Note 9)	844,082,006	3,717,000,000	–	370,283,305	5,180,270,426
Reverse repurchase agreements (Note 8)	190,000,000	1,035,000,000	2,115,000,000	–	3,370,685,169
Interest receivable (Note 2c)	1,673,867	8,915,463	5,464,993	1,697,538	18,538,331
Cash at bank (Note 2d) ⁽¹⁾	–	659,963	5,433,321	1,194	6,094,841
Operating fee reimbursement	540,627	3,208,080	868,224	169,428	4,925,185
Other assets	155,988	9,931	25,687	8,770	228,235
TOTAL ASSETS	3,918,884,143	23,772,002,663	5,034,351,410	1,963,682,329	35,918,883,983
LIABILITIES					
Payable for investment purchased	–	248,383,027	–	–	248,383,027
Bank overdraft (Note 2d) ⁽¹⁾	90	–	–	–	104
Dividends payable (Note 3)	–	35,081,560	6,758,629	1,131,867	43,316,202
Expense payable	2,177,947	14,906,427	2,773,962	1,431,458	22,076,771
TOTAL LIABILITIES	2,178,037	298,371,014	9,532,591	2,563,325	313,776,104
NET ASSET VALUE	3,916,706,106	23,473,631,649	5,024,818,819	1,961,119,004	35,605,107,879

(1) Cash is held at the Depositary.

On behalf of the Board of the Company:

Director

Director

27 November 2018

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Statement of Net Assets As of 31 March 2018

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)	4,552,462,158	17,631,317,156	3,826,343,705	1,774,646,371	29,545,984,096
Time deposits (Note 9)	1,162,572,371	3,684,000,000	–	448,488,413	5,742,930,122
Reverse repurchase agreements (Note 8)	275,000,000	–	–	–	338,208,870
Interest receivable (Note 2c)	4,515,144	6,142,781	2,767,619	1,270,198	16,245,187
Cash at bank (Note 2d) ⁽¹⁾	45	–	15,114,978	1,446	15,117,062
Operating fee reimbursement	518,272	2,870,246	780,065	136,482	4,479,165
Other assets	372,821	201	8,825	–	467,540
TOTAL ASSETS	5,995,440,811	21,324,330,384	3,845,015,192	2,224,542,910	35,663,432,042
LIABILITIES					
Payable for investment purchased	120,023,403	–	–	50,000,000	217,750,883
Bank overdraft (Note 2d) ⁽¹⁾	–	562,027	–	–	562,027
Dividends payable (Note 3)	–	26,556,725	4,364,883	703,063	31,907,866
Expense payable	2,128,356	10,913,532	1,830,271	993,571	16,755,145
TOTAL LIABILITIES	122,151,759	38,032,284	6,195,154	51,696,634	266,975,921
NET ASSET VALUE	5,873,289,052	21,286,298,100	3,838,820,038	2,172,846,276	35,396,456,121

(1) Cash is held at the Depository.

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Statement of Net Assets Statistics As of 30 September 2018

	Currency	Outstanding Shares as at 30 September 2018	Outstanding Shares as at 31 March 2018	Outstanding Shares as at 31 March 2017	Outstanding Shares as at 31 March 2016
Euro Liquidity Fund					
Institutional Shares	EUR	2,873,037,761	4,449,515,461	5,195,468,206	2,619,231,047
Institutional Accumulation Shares	EUR	1,814,245	5,490,506	5,052,534	292,742
Institutional Select Shares	EUR	15,786,920	75,245,166	–	1,891,776
Institutional (+1) Accumulation Shares	EUR	30,945	21,102	1	–
MS Reserve Shares	EUR	215,329,708	751,087,841	621,384,136	461,601,715
Qualified Shares (Note 1)	EUR	613,246,675	–	–	–
US Dollar Liquidity Fund					
Advantage Accumulation Shares	USD	–	1,915	1,915	1,915
Advisory Shares	USD	441,607,942	247,789,213	50,000	–
Institutional Shares	USD	15,324,886,807	13,998,783,215	11,444,903,889	5,678,343,980
Institutional Accumulation Shares	USD	3,509,966	1,308,386	3,920,026	434,384
Institutional Select Shares	USD	1,023,451	2,787,473	9,730,272	96,411,194
Master Shares	USD	4,474,797,837	4,612,665,260	5,527,514,738	4,162,860,364
MS Reserve Shares	USD	696,707,670	464,369,975	294,745,484	254,905,289
Qualified Shares (Note 1)	USD	25,316,654	–	–	–
Qualified Accumulation Shares	USD	20,632,776	17,833,849	18,266,991	157,900
US Dollar Treasury Liquidity Fund					
Advisory Shares	USD	50,000	50,000	50,000	–
Institutional Shares	USD	3,418,065,274	2,628,900,943	1,734,597,405	956,120,649
Institutional Accumulation Shares (Note 1)	USD	5,024,422	–	–	–
Institutional Select Shares	USD	68,268	50,481,806	50,088,298	50,010,000
MS Reserve Shares	USD	1,102,802,789	1,159,387,289	807,518,544	533,246,611
Qualified Accumulation Shares (Note 1)	USD	800	–	–	–
Sterling Liquidity Fund					
Institutional Shares	GBP	1,936,828,179	2,167,262,234	2,373,899,407	2,364,122,971
Institutional Accumulation Shares	GBP	88,664	8,891	8,887	163,548
Institutional Select Shares	GBP	1,240,201	1,350,201	25,000,000	7,000,000
MS Reserve Shares	GBP	–	–	–	24,195,694
Qualified Shares	GBP	12,926,532	3,221,142	6,793,742	9,022,300

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Statement of Net Assets Statistics As of 30 September 2018 (continued)

	Currency	Net Asset Value per Share as at 30 September 2018	Net Asset Value per Share as at 31 March 2018	Net Asset Value per Share as at 31 March 2017	Net Asset Value per Share as at 31 March 2016
Euro Liquidity Fund					
Institutional Shares	EUR	1.00	1.00	1.00	1.00
Institutional Accumulation Shares	EUR	108.16	108.43	108.99	109.48
Institutional Select Shares	EUR	1.00	1.00	–	1.00
Institutional (+1) Accumulation Shares	EUR	99.55	99.81	100.00	–
MS Reserve Shares	EUR	1.00	1.00	1.00	1.00
Qualified Shares (Note 1)	EUR	1.00	–	–	–
US Dollar Liquidity Fund					
Advantage Accumulation Shares	USD	–	102.51	101.51	101.13
Advisory Shares	USD	1.00	1.00	1.00	–
Institutional Shares	USD	1.00	1.00	1.00	1.00
Institutional Accumulation Shares	USD	109.96	108.88	107.54	106.85
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 Shares (Note 1)	USD	1.00	–	–	–
Qualified Accumulation Shares	USD	102.91	101.90	100.66	100.02
US Dollar Treasury Liquidity Fund					
Advisory Shares	USD	1.00	1.00	1.00	–
Institutional Shares	USD	1.00	1.00	1.00	1.00
Institutional Accumulation Shares (Note 1)	USD	100.26	–	–	–
Institutional Select 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	100.03	–	–	–
Sterling Liquidity Fund					
Institutional Shares	GBP	1.00	1.00	1.00	1.00
Institutional Accumulation Shares	GBP	114.19	113.91	113.64	113.25
Institutional Select Shares	GBP	1.00	1.00	1.00	1.00
MS Reserve Shares	GBP	–	–	–	1.00
Qualified Shares	GBP	1.00	1.00	1.00	1.00

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Statement of Net Assets Statistics As of 30 September 2018 (continued)

	Currency	Net Assets as at 30 September 2018	Net Assets as at 31 March 2018	Net Assets as at 31 March 2017	Net Assets as at 31 March 2016
Euro Liquidity Fund					
Institutional Shares	EUR	2,873,037,761	4,449,515,461	5,195,468,206	2,619,231,047
Institutional Accumulation Shares	EUR	196,224,270	595,334,534	550,681,803	32,049,835
Institutional Select Shares	EUR	15,786,920	75,245,166	–	1,891,776
Institutional (+1) Accumulation Shares	EUR	3,080,772	2,106,050	100	–
MS Reserve Shares	EUR	215,329,708	751,087,841	621,384,136	461,601,715
Qualified Shares (Note 1)	EUR	613,246,675	–	–	–
US Dollar Liquidity Fund					
Advantage Accumulation Shares	USD	–	196,296	194,388	193,653
Advisory Shares	USD	441,607,942	247,789,213	50,000	–
Institutional Shares	USD	15,324,886,807	13,998,783,215	11,444,903,889	5,678,343,980
Institutional Accumulation Shares	USD	385,965,976	142,451,717	421,553,492	46,413,168
Institutional Select Shares	USD	1,023,451	2,787,473	9,730,272	96,411,194
Master Shares	USD	4,474,797,837	4,612,665,260	5,527,514,738	4,162,860,364
MS Reserve Shares	USD	696,707,670	464,369,975	294,745,484	254,905,289
Qualified Shares (Note 1)	USD	25,316,654	–	–	–
Qualified Accumulation Shares	USD	2,123,325,312	1,817,254,951	1,838,708,412	15,793,425
US Dollar Treasury Liquidity Fund					
Advisory Shares	USD	50,000	50,000	50,000	–
Institutional Shares	USD	3,418,065,274	2,628,900,943	1,734,597,405	956,120,649
Institutional Accumulation Shares (Note 1)	USD	503,752,466	–	–	–
Institutional Select Shares	USD	68,268	50,481,806	50,088,298	50,010,000
MS Reserve Shares	USD	1,102,802,789	1,159,387,289	807,518,544	533,246,611
Qualified Accumulation Shares (Note 1)	USD	80,022	–	–	–
Sterling Liquidity Fund					
Institutional Shares	GBP	1,936,828,179	2,167,262,234	2,373,899,407	2,364,122,971
Institutional Accumulation Shares	GBP	10,124,092	1,012,699	1,009,832	18,521,138
Institutional Select Shares	GBP	1,240,201	1,350,201	25,000,000	7,000,000
MS Reserve Shares	GBP	–	–	–	24,195,694
Qualified Shares	GBP	12,926,532	3,221,142	6,793,742	9,022,300

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Statement of Operations and Changes in Net Assets For the period ended to 30 September 2018

	Euro Liquidity Fund EUR	US Dollar Liquidity Fund USD	US Dollar Treasury Liquidity Fund USD	Sterling Liquidity Fund GBP	Combined USD
INCOME					
Interest (Note 2c)	(10,441,877)	245,218,289	38,669,582	8,308,800	282,656,027
Total Positive/(Negative) Income	(10,441,877)	245,218,289	38,669,582	8,308,800	282,656,027
EXPENSES					
Management fees (Note 4,6)	4,424,554	17,871,892	3,042,664	2,564,871	29,533,681
Less: Management fees waived	(2,425,869)	–	–	(512,910)	(3,537,008)
Management fees - Net	1,998,685	17,871,892	3,042,664	2,051,961	25,996,673
Taxe d'Abonnement (Note 5)	4,574	308,160	–	176	313,776
Legal fees (Note 6c)	38,890	44,956	44,956	34,349	181,378
Director's fees, director's liability insurance premium and expenses (Note 6b)	25,987	29,833	29,833	22,735	120,495
Ratings fees (Note 6c)	28,357	35,661	24,310	23,984	125,251
Tax charges (excluding Taxe d'Abonnement) (Note 5)	7,506	9,606	8,758	6,489	35,830
Other fees (Note 6c)	8,522	9,892	9,892	7,166	39,347
Audit fees (Note 6c)	3,839	14,926	4,437	3,724	28,835
Professional fees (Note 6c)	4,455	8,081	5,543	3,358	23,334
Distribution fees (Note 6c)	23,156	18,906	18,906	13,244	82,682
Less: Operating fee reimbursement	(140,750)	(172,043)	(146,906)	(115,066)	(637,672)
Total Expenses	2,003,221	18,179,870	3,042,393	2,052,120	26,309,929
Net Investment Income/(Expense)	(12,445,098)	227,038,419	35,627,189	6,256,680	256,346,098
Less: Distribution paid from income (Note 3)	–	(204,604,433)	(34,316,892)	(6,234,652)	(247,216,836)
Receipt from the Compulsory Redemption of shares (Note 3)	11,293,644	–	–	–	13,289,397
Net Increase/(Decrease) in Net Assets resulting from operations	(1,151,454)	22,433,986	1,310,297	22,028	22,418,659
Proceeds from issuance of shares	15,252,378,877	81,977,575,482	15,557,070,950	10,854,472,248	129,924,755,422
Shares redeemed	(17,207,810,369)	(79,812,675,919)	(14,372,382,466)	(11,066,221,548)	(129,157,895,354)
Increase/(Decrease) in Net Assets from share transactions	(1,955,431,492)	2,164,899,563	1,184,688,484	(211,749,300)	766,860,068
Increase/(Decrease) in Net Assets	(1,956,582,946)	2,187,333,549	1,185,998,781	(211,727,272)	789,278,727
Net Assets at the beginning of the period	5,873,289,052	21,286,298,100	3,838,820,038	2,172,846,276	35,396,456,121
Foreign exchange adjustment on translation	–	–	–	–	(580,626,969)
NET ASSETS AT THE END OF THE HALF-YEAR	3,916,706,106	23,473,631,649	5,024,818,819	1,961,119,004	35,605,107,879

On behalf of the Board of the Company:

Director

Director

27 November 2018

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
INCOME					
Interest (Note 2c)	(14,747,886)	133,480,896	11,464,676	4,107,928	133,505,142
Total Positive/(Negative) Income	(14,747,886)	133,480,896	11,464,676	4,107,928	133,505,142
EXPENSES					
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)
Total Expenses	2,389,418	15,150,103	1,794,537	1,605,050	21,735,497
Net Investment Income/(Expense)	(17,137,304)	118,330,793	9,670,139	2,502,878	111,769,645
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
Net Increase/(Decrease) in Net Assets resulting from operations	(882,703)	12,371,408	–	944	11,369,823
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)
Increase/(Decrease) in Net Assets from share transactions	(881,933,258)	812,990,412	(338,219,630)	122,666,933	(368,476,726)
Increase/(Decrease) in Net Assets	(882,815,961)	825,361,820	(338,219,630)	122,667,877	(357,106,903)
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
NET ASSETS AT THE END OF THE HALF-YEAR	5,484,718,284	20,362,762,495	2,254,034,617	2,529,370,858	32,494,363,653

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Euro Liquidity Fund

Schedule of Investments

As of 30 September 2018

(Expressed in EUR)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
COMMERCIAL PAPER 34.43%						
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	30,000,000	-	11-Dec-18	30,018,964	0.77
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	40,000,000	-	28-Feb-19	40,050,077	1.02
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	25,000,000	-	25-Mar-19	25,036,514	0.64
BNP PARIBAS	EUR	50,000,000	-	13-Feb-19	50,057,277	1.28
BRED BANQUE POPULAIRE	EUR	50,000,000	-	31-Oct-18	50,015,426	1.28
DEKABANK DEUTSCHE GIROZENTRALE	EUR	50,000,000	-	04-Oct-18	50,001,606	1.28
DEKABANK DEUTSCHE GIROZENTRALE	EUR	50,000,000	-	15-Oct-18	50,007,396	1.28
DEKABANK DEUTSCHE GIROZENTRALE	EUR	40,000,000	-	20-Dec-18	40,032,474	1.02
DEKABANK DEUTSCHE GIROZENTRALE	EUR	25,000,000	-	31-Jan-19	25,029,689	0.64
HSBC FRANCE	EUR	90,000,000	-	06-Nov-18	90,035,179	2.30
ING BANK NV	EUR	50,000,000	-	05-Nov-18	50,016,547	1.28
LINDE AG	EUR	34,500,000	-	06-Nov-18	34,513,118	0.88
LINDE AG	EUR	9,500,000	-	26-Nov-18	9,505,177	0.24
LINDE AG	EUR	25,000,000	-	07-Dec-18	25,017,231	0.64
NORDEA BANK AB	EUR	50,000,000	-	20-Mar-19	50,087,524	1.28
NORDEA BANK AB	EUR	50,000,000	-	29-Mar-19	50,092,158	1.28
OP CORPORATE BANK PLC	EUR	30,750,000	-	12-Nov-18	30,763,650	0.78
OP CORPORATE BANK PLC	EUR	27,500,000	-	13-Dec-18	27,521,218	0.70
OP CORPORATE BANK PLC	EUR	57,500,000	-	28-Feb-19	57,587,996	1.47
OP CORPORATE BANK PLC	EUR	35,000,000	-	25-Mar-19	35,059,654	0.89
PACCAR FINANCIAL EUROPE BV	EUR	10,000,000	-	24-Oct-18	10,002,429	0.25
PROCTER & GAMBLE COMPANY	EUR	20,000,000	-	03-Oct-18	20,000,434	0.51
PROCTER & GAMBLE COMPANY	EUR	11,000,000	-	10-Oct-18	11,001,074	0.28
PROCTER & GAMBLE COMPANY	EUR	6,000,000	-	16-Oct-18	6,000,951	0.15
SVENSKA HANDELSBANKEN AB	EUR	27,500,000	-	08-Nov-18	27,511,196	0.70
SVENSKA HANDELSBANKEN AB	EUR	35,000,000	-	21-Nov-18	35,019,123	0.89
SVENSKA HANDELSBANKEN AB	EUR	50,000,000	-	09-Jan-19	50,051,477	1.28
SWEDBANK AB	EUR	50,000,000	-	19-Feb-19	50,076,494	1.28
TOYOTA KREDITBANK GMBH	EUR	16,000,000	-	23-Nov-18	16,008,844	0.41
TOYOTA KREDITBANK GMBH	EUR	20,000,000	-	10-Dec-18	20,015,184	0.51
TOYOTA MOTOR FINANCE (NETHERLANDS)	EUR	57,000,000	-	30-Nov-18	57,035,206	1.46
TOYOTA MOTOR FINANCE (NETHERLANDS)	EUR	25,000,000	-	25-Jan-19	25,031,071	0.64
UBS AG	EUR	25,000,000	-	09-Oct-18	25,002,058	0.64
UBS AG	EUR	25,000,000	-	26-Oct-18	25,006,430	0.64
UBS AG	EUR	50,000,000	-	13-Nov-18	50,020,935	1.28
UNILEVER NV	EUR	50,000,000	-	01-Oct-18	50,000,000	1.28
ZUERCHER KANTONALBANK	EUR	50,000,000	-	27-Dec-18	50,050,859	1.28
Total Commercial Paper					1,348,282,640	34.43
CERTIFICATES OF DEPOSIT 26.31%						
CITIBANK NA	EUR	50,000,000	-	04-Oct-18	50,001,627	1.27
CITIBANK NA	EUR	50,000,000	-	05-Dec-18	50,033,466	1.28
CREDIT AGRICOLE SA	EUR	50,000,000	-	05-Oct-18	50,001,891	1.27
CREDIT AGRICOLE SA	EUR	50,000,000	-	04-Jan-19	50,042,265	1.28
CREDIT AGRICOLE SA	EUR	50,000,000	-	07-Jan-19	50,044,968	1.28
CREDIT SUISSE AG	EUR	40,000,000	-	26-Oct-18	40,010,289	1.02
CREDIT SUISSE AG	EUR	50,000,000	-	08-Feb-19	50,062,374	1.28
HSBC FRANCE	EUR	50,000,000	-	30-Oct-18	50,014,534	1.28
ING BANK NV	EUR	50,000,000	-	09-Nov-18	50,016,818	1.28
ING BANK NV	EUR	50,000,000	-	05-Dec-18	50,028,030	1.28
LLOYDS BANK PLC	EUR	50,000,000	-	08-Jan-19	50,046,798	1.28
MIZUHO BANK LTD	EUR	50,000,000	-	17-Dec-18	50,037,464	1.28
MIZUHO BANK LTD	EUR	40,000,000	-	04-Jan-19	40,035,925	1.02
MIZUHO BANK LTD	EUR	50,000,000	-	07-Jan-19	50,047,689	1.28

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Euro Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2018

(Expressed in EUR)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
CERTIFICATES OF DEPOSIT 26.31%						
NORINCHUKIN BANK	EUR	50,000,000	-	05-Oct-18	50,002,058	1.27
NORINCHUKIN BANK	EUR	50,000,000	-	26-Oct-18	50,014,241	1.28
RABOBANK NEDERLAND NV	EUR	50,000,000	-	11-Oct-18	50,005,288	1.27
SUMITOMO MITSUI TRUST BANK LTD	EUR	50,000,000	-	05-Oct-18	50,002,085	1.27
SUMITOMO MITSUI TRUST BANK LTD	EUR	50,000,000	-	07-Nov-18	50,019,026	1.28
SUMITOMO MITSUI TRUST BANK LTD	EUR	50,000,000	-	03-Dec-18	50,030,652	1.28
TORONTO DOMINION BANK	EUR	50,000,000	-	20-Dec-18	50,042,345	1.28
Total Certificates of Deposit					1,030,539,833	26.31
FLOATING RATE NOTES 6.56%						
BANK OF NOVA SCOTIA	EUR	35,000,000	0.13%	30-Apr-19	35,092,231	0.90
BAYERISCHE MOTOREN WERKE AG	EUR	15,000,000	-	28-Dec-18	15,011,880	0.38
BNP PARIBAS	EUR	40,000,000	0.38%	11-Mar-19	40,122,785	1.02
DANSKE BANK A/S	EUR	50,000,000	0.03%	19-Nov-18	50,026,031	1.28
NATIONWIDE BUILDING SOCIETY	EUR	25,925,000	0.18%	02-Nov-18	25,936,851	0.66
NORDEA BANK AB	EUR	47,000,000	0.13%	22-Feb-19	47,091,032	1.20
RABOBANK NEDERLAND NV	EUR	20,000,000	-	15-Nov-18	20,009,000	0.51
ROYAL BANK OF CANADA	EUR	2,600,000	0.11%	22-Oct-18	2,600,726	0.07
ROYAL BANK OF CANADA	EUR	21,130,000	0.13%	27-Mar-19	21,178,712	0.54
Total Floating Rate Notes					257,069,248	6.56
ASSET BACKED COMMERCIAL PAPER 3.32%						
COLLATERALIZED COMMERCIAL PAPER CO III	EUR	50,000,000	-	18-Dec-18	50,036,897	1.28
COLLATERALIZED COMMERCIAL PAPER CO III	EUR	30,000,000	-	07-Feb-19	30,033,378	0.76
COLLATERALIZED COMMERCIAL PAPER CO III	EUR	50,000,000	-	11-Feb-19	50,057,355	1.28
Total Asset Backed Commercial Paper					130,127,630	3.32
CORPORATE BONDS 2.97%						
BANK OF MONTREAL	EUR	6,750,000	0.10%	14-Jan-19	6,759,188	0.17
COMMONWEALTH BANK OF AUSTRALIA	EUR	36,900,000	1.63%	04-Feb-19	37,149,075	0.95
CREDIT SUISSE AG	EUR	25,000,000	0.63%	20-Nov-18	25,035,142	0.64
HSBC BANK PLC	EUR	22,423,000	3.88%	24-Oct-18	22,483,499	0.57
HSBC FRANCE	EUR	24,900,000	1.63%	03-Dec-18	24,985,400	0.64
Total Corporate Bonds					116,412,304	2.97
Total Transferable Securities and Money Market Instruments					2,882,431,655	73.59
Total Investments					2,882,431,655	73.59
Other assets in excess of liabilities					1,034,274,451	26.41
Total Net Assets					3,916,706,106	100.00

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

US Dollar Liquidity Fund

Schedule of Investments

As of 30 September 2018

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
CERTIFICATES OF DEPOSIT 35.14%						
BANK OF AMERICA NA	USD	225,000,000	2.57%	16-Oct-18	225,000,000	0.96
BANK OF MONTREAL	USD	300,000,000	2.37%	20-Dec-18	300,000,000	1.28
BANK OF MONTREAL	USD	350,000,000	2.38%	21-Dec-18	350,000,000	1.49
BNP PARIBAS	USD	243,000,000	2.59%	16-Oct-18	243,000,000	1.03
BNP PARIBAS	USD	300,000,000	2.42%	21-Nov-18	300,000,000	1.28
BNP PARIBAS	USD	170,000,000	2.37%	17-Dec-18	170,000,000	0.72
BNP PARIBAS	USD	350,000,000	2.39%	26-Mar-19	350,000,000	1.49
CREDIT AGRICOLE CIB	USD	125,000,000	2.40%	20-Dec-18	125,000,000	0.53
HSBC BANK PLC	USD	150,000,000	2.59%	16-Oct-18	150,000,000	0.64
HSBC BANK PLC	USD	165,000,000	2.40%	24-Jun-19	165,000,000	0.70
KBC BANK NV	USD	250,000,000	-	27-Dec-18	248,558,839	1.06
KBC BANK NV	USD	250,000,000	-	02-Jan-19	248,383,027	1.06
MIZUHO BANK LTD	USD	150,000,000	2.55%	05-Oct-18	150,005,445	0.64
MIZUHO BANK LTD	USD	50,000,000	-	19-Dec-18	49,738,797	0.21
MIZUHO BANK LTD	USD	175,000,000	-	21-Dec-18	174,058,753	0.74
MIZUHO BANK LTD	USD	200,000,000	-	21-Dec-18	198,926,655	0.85
MIZUHO BANK LTD	USD	150,000,000	2.36%	24-Dec-18	150,000,000	0.64
MIZUHO BANK LTD	USD	150,000,000	-	27-Dec-18	149,131,722	0.64
MIZUHO BANK LTD	USD	80,000,000	2.48%	26-Mar-19	80,000,000	0.34
MIZUHO BANK LTD	USD	100,000,000	2.49%	26-Mar-19	100,000,000	0.43
NATIXIS SA	USD	250,000,000	2.45%	24-Dec-18	250,000,000	1.06
NORINCHUKIN BANK	USD	200,000,000	-	20-Dec-18	198,937,570	0.85
OVERSEA-CHINESE BANKING CORP	USD	100,000,000	2.18%	04-Oct-18	100,000,000	0.43
OVERSEA-CHINESE BANKING CORP	USD	150,000,000	2.26%	05-Oct-18	150,000,000	0.64
OVERSEA-CHINESE BANKING CORP	USD	250,000,000	2.43%	16-Nov-18	250,000,000	1.06
OVERSEA-CHINESE BANKING CORP	USD	50,000,000	2.44%	19-Nov-18	50,000,000	0.21
OVERSEA-CHINESE BANKING CORP	USD	250,000,000	2.31%	24-Jan-19	250,000,000	1.06
ROYAL BANK OF CANADA	USD	310,000,000	2.44%	26-Jun-19	310,000,000	1.32
ROYAL BANK OF CANADA	USD	350,000,000	2.45%	26-Jun-19	350,000,000	1.49
SKANDINAVISKA ENSKILDA BANKEN AB	USD	150,000,000	2.45%	19-Oct-18	150,000,000	0.64
SKANDINAVISKA ENSKILDA BANKEN AB	USD	150,000,000	2.44%	19-Nov-18	150,000,000	0.64
STATE STREET BANK & TRUST COMPANY	USD	160,000,000	2.38%	19-Oct-18	160,000,000	0.68
STATE STREET BANK & TRUST COMPANY	USD	200,000,000	2.39%	19-Nov-18	200,000,000	0.85
SUMITOMO MITSUI BANK NY	USD	300,000,000	2.41%	26-Mar-19	300,000,000	1.28
SUMITOMO MITSUI BANK NY	USD	250,000,000	2.42%	27-Mar-19	250,000,000	1.06
SUMITOMO MITSUI TRUST BANK LTD	USD	60,000,000	2.37%	24-Dec-18	60,000,000	0.26
SUMITOMO MITSUI TRUST BANK LTD	USD	100,000,000	2.38%	26-Dec-18	100,000,000	0.43
SUMITOMO MITSUI TRUST BANK LTD	USD	75,000,000	-	04-Jan-19	74,510,237	0.32
SUMITOMO MITSUI TRUST BANK LTD	USD	125,000,000	-	07-Jan-19	124,156,162	0.53
SUMITOMO MITSUI TRUST BANK LTD	USD	125,000,000	-	07-Jan-19	124,156,278	0.53
SVENSKA HANDELSBANKEN AB	USD	200,000,000	2.44%	28-Dec-18	200,000,000	0.85
SVENSKA HANDELSBANKEN AB	USD	520,000,000	2.44%	28-Dec-18	520,000,000	2.22
Total Certificates of Deposit					8,248,563,485	35.14
COMMERCIAL PAPER 23.09%						
BANK NEDERLANDSE GEMEENTEN	USD	748,600,000	-	04-Oct-18	748,463,954	3.19
BRED BANQUE POPULAIRE	USD	400,000,000	-	20-Dec-18	397,884,444	1.69
CREDIT AGRICOLE CIB	USD	600,000,000	-	01-Oct-18	600,000,000	2.56
DBS BANK LTD	USD	210,000,000	-	01-Oct-18	210,000,000	0.89
DBS BANK LTD	USD	100,000,000	-	02-Oct-18	99,993,639	0.43
DBS BANK LTD	USD	250,000,000	-	18-Dec-18	248,732,500	1.06
DBS BANK LTD	USD	300,000,000	-	19-Dec-18	298,459,500	1.27

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

US Dollar Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2018

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
COMMERCIAL PAPER 23.09%						
DBS BANK LTD	USD	30,000,000	-	21-Dec-18	29,841,712	0.13
DBS BANK LTD	USD	165,000,000	-	24-Dec-18	164,095,250	0.70
DEKABANK DEUTSCHE GIROZENTRALE	USD	150,000,000	-	19-Dec-18	149,214,712	0.64
DEKABANK DEUTSCHE GIROZENTRALE	USD	100,000,000	-	20-Dec-18	99,470,980	0.42
DEKABANK DEUTSCHE GIROZENTRALE	USD	250,000,000	-	21-Dec-18	248,658,142	1.06
ERSTE ABWICKLUNGSANSTALT	USD	500,000,000	-	04-Oct-18	499,909,167	2.13
FEDERATION DES CAISSES DESJARDINS	USD	200,000,000	-	04-Oct-18	199,963,667	0.85
KINGDOM OF THE NETHERLANDS	USD	726,000,000	-	05-Oct-18	725,824,147	3.09
NATIONWIDE BUILDING SOCIETY	USD	200,000,000	-	05-Oct-18	199,951,556	0.85
ROYAL BANK OF CANADA	USD	200,000,000	-	20-Dec-18	198,946,667	0.85
SUMITOMO MITSUI TRUST BANK LTD	USD	300,000,000	-	04-Oct-18	299,945,250	1.28
Total Commercial Paper					5,419,355,287	23.09
COMMERCIAL PAPER - INTEREST BEARING 19.98%						
ANZ NEW ZEALAND INT'L LTD	USD	50,000,000	2.38%	21-Dec-18	50,000,000	0.21
ANZ NEW ZEALAND INT'L LTD	USD	75,000,000	2.36%	26-Mar-19	75,000,000	0.32
ANZ NEW ZEALAND INT'L LTD	USD	75,000,000	2.42%	28-Mar-19	75,000,000	0.32
ANZ NEW ZEALAND INT'L LTD	USD	150,000,000	2.42%	28-Mar-19	150,000,000	0.64
ASB FINANCE LTD	USD	100,000,000	2.42%	28-Mar-19	100,000,000	0.43
AUSTRALIA AND NEW ZEALAND BANKING	USD	50,000,000	2.54%	21-Dec-18	50,000,000	0.21
BNZ INTERNATIONAL FUNDING LTD	USD	100,000,000	2.50%	19-Oct-18	100,000,000	0.43
CANADIAN IMPERIAL BANK OF COMMERCE	USD	275,000,000	2.43%	16-Nov-18	275,000,000	1.17
CANADIAN IMPERIAL BANK OF COMMERCE	USD	400,000,000	2.37%	26-Mar-19	400,000,000	1.70
ERSTE ABWICKLUNGSANSTALT	USD	150,000,000	2.50%	17-Oct-18	150,000,000	0.64
HSBC BANK PLC	USD	200,000,000	2.58%	16-Oct-18	200,000,000	0.85
ING US FUNDING LLC	USD	100,000,000	2.38%	21-Dec-18	100,000,000	0.43
ING US FUNDING LLC	USD	320,000,000	2.39%	21-Dec-18	320,000,000	1.36
JP MORGAN SECURITIES LLC	USD	100,000,000	2.52%	15-Apr-19	100,058,800	0.43
NATIONAL AUSTRALIA BANK LTD	USD	120,000,000	2.41%	16-Nov-18	120,000,000	0.51
TORONTO DOMINION BANK	USD	200,000,000	2.51%	16-Oct-18	200,000,000	0.85
TORONTO DOMINION BANK	USD	150,000,000	2.45%	19-Nov-18	150,000,000	0.64
TORONTO DOMINION BANK	USD	285,000,000	2.48%	19-Nov-18	285,000,000	1.22
TORONTO DOMINION BANK	USD	200,000,000	2.45%	19-Nov-18	200,000,000	0.85
TORONTO DOMINION BANK	USD	140,000,000	2.38%	21-Dec-18	140,000,000	0.60
TORONTO DOMINION BANK	USD	200,000,000	2.44%	26-Jun-19	200,000,000	0.85
TOYOTA MOTOR CREDIT CORP	USD	150,000,000	2.54%	12-Oct-18	150,000,000	0.64
TOYOTA MOTOR CREDIT CORP	USD	50,000,000	2.60%	12-Oct-18	50,000,000	0.21
TOYOTA MOTOR CREDIT CORP	USD	150,000,000	2.54%	15-Oct-18	150,000,000	0.64
TOYOTA MOTOR FINANCE (NETHERLANDS)	USD	145,000,000	2.64%	24-Oct-18	145,000,000	0.62
UBS AG	USD	165,000,000	2.45%	21-Dec-18	165,000,000	0.70
UBS AG	USD	200,000,000	2.47%	24-Dec-18	200,000,000	0.85
UBS AG	USD	200,000,000	2.45%	24-Jun-19	200,000,000	0.85
UBS AG	USD	190,000,000	2.47%	24-Jun-19	190,000,000	0.81
Total Commercial Paper - Interest Bearing					4,690,058,800	19.98
ASSET BACKED COMMERCIAL PAPER 2.76%						
COLLATERALIZED COMMERCIAL PAPER CO II	USD	190,000,000	2.55%	18-Oct-18	190,000,000	0.81
COLLATERALIZED COMMERCIAL PAPER CO II	USD	190,000,000	2.49%	28-Dec-18	190,000,000	0.81
METLIFE SHORT TERM FUNDING LLC	USD	152,739,000	-	01-Oct-18	152,739,000	0.65

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

US Dollar Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2018

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
ASSET BACKED COMMERCIAL PAPER 2.76%						
METLIFE SHORT TERM FUNDING LLC	USD	116,500,000	-	02-Oct-18	116,492,654	0.49
Total Asset Backed Commercial Paper					<u>649,231,654</u>	<u>2.76</u>
Total Transferable Securities and Money Market Instruments					<u>19,007,209,226</u>	<u>80.97</u>
Total Investments					19,007,209,226	80.97
Other assets in excess of liabilities					<u>4,466,422,423</u>	<u>19.03</u>
Total Net Assets					<u>23,473,631,649</u>	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

US Dollar Treasury Liquidity Fund

Schedule of Investments

As of 30 September 2018

(Expressed in USD)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
TREASURY BILLS 30.07%						
GOVERNMENT OF THE UNITED STATES	USD	75,000,000	-	23-Nov-18	74,775,270	1.49
GOVERNMENT OF THE UNITED STATES	USD	100,000,000	-	06-Dec-18	99,616,400	1.98
GOVERNMENT OF THE UNITED STATES	USD	340,000,000	-	13-Dec-18	338,548,015	6.74
GOVERNMENT OF THE UNITED STATES	USD	785,000,000	-	20-Dec-18	781,296,000	15.55
GOVERNMENT OF THE UNITED STATES	USD	75,000,000	-	21-Feb-19	74,349,921	1.48
GOVERNMENT OF THE UNITED STATES	USD	100,000,000	-	28-Feb-19	99,082,761	1.97
GOVERNMENT OF THE UNITED STATES	USD	18,956,000	-	14-Mar-19	18,760,283	0.37
GOVERNMENT OF THE UNITED STATES	USD	25,000,000	-	21-Mar-19	24,728,656	0.49
Total Treasury Bills					1,511,157,306	30.07
GOVERNMENT BONDS 24.73%						
GOVERNMENT OF THE UNITED STATES	USD	240,000,000	2.36%	31-Oct-18	240,044,090	4.78
GOVERNMENT OF THE UNITED STATES	USD	365,000,000	2.33%	31-Jan-19	365,222,492	7.27
GOVERNMENT OF THE UNITED STATES	USD	272,000,000	2.26%	30-Apr-19	272,201,158	5.41
GOVERNMENT OF THE UNITED STATES	USD	365,000,000	2.25%	31-Jul-19	365,332,911	7.27
Total Government Bonds					1,242,800,651	24.73
TREASURY NOTES 3.06%						
GOVERNMENT OF THE UNITED STATES	USD	10,000,000	1.00%	30-Nov-18	9,981,728	0.20
GOVERNMENT OF THE UNITED STATES	USD	55,000,000	1.50%	31-Dec-18	54,906,679	1.09
GOVERNMENT OF THE UNITED STATES	USD	24,000,000	1.25%	31-Dec-18	23,944,075	0.48
GOVERNMENT OF THE UNITED STATES	USD	65,000,000	1.38%	28-Feb-19	64,768,746	1.29
Total Treasury Notes					153,601,228	3.06
Total Transferable Securities and Money Market Instruments					2,907,559,185	57.86
Total Investments					2,907,559,185	57.86
Other assets in excess of liabilities					2,117,259,634	42.14
Total Net Assets					5,024,818,819	100.00

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Sterling Liquidity Fund

Schedule of Investments

As of 30 September 2018

(Expressed in GBP)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
CERTIFICATES OF DEPOSIT 49.76%						
ABN AMRO BANK	GBP	25,000,000	-	04-Feb-19	24,922,681	1.27
ABN AMRO BANK	GBP	25,000,000	-	07-Feb-19	24,918,200	1.27
BANK OF AMERICA NA	GBP	25,000,000	0.80%	08-Nov-18	25,000,000	1.28
BANK OF AMERICA NA	GBP	25,000,000	0.80%	14-Nov-18	25,000,000	1.27
BANK OF AMERICA NA	GBP	25,000,000	0.89%	06-Mar-19	25,000,000	1.28
BNP PARIBAS	GBP	25,000,000	0.64%	05-Oct-18	25,000,000	1.27
BNP PARIBAS	GBP	25,000,000	0.72%	29-Oct-18	25,000,000	1.28
BNP PARIBAS	GBP	25,000,000	0.85%	06-Nov-18	25,000,000	1.27
BNP PARIBAS	GBP	25,000,000	0.83%	08-Jan-19	25,000,000	1.28
CANADIAN IMPERIAL BANK OF COMMERCE	GBP	25,000,000	0.74%	14-Nov-18	25,000,000	1.27
CANADIAN IMPERIAL BANK OF COMMERCE	GBP	25,000,000	0.70%	07-Dec-18	25,000,000	1.27
CREDIT AGRICOLE CIB	GBP	25,000,000	0.70%	07-Dec-18	25,000,000	1.27
CREDIT AGRICOLE CIB	GBP	25,000,000	0.84%	10-Dec-18	25,000,000	1.27
ING BANK NV	GBP	25,000,000	0.80%	04-Dec-18	25,000,000	1.28
ING BANK NV	GBP	25,000,000	0.88%	04-Jan-19	25,000,000	1.27
KBC BANK NV	GBP	25,000,000	0.81%	10-Dec-18	25,000,000	1.28
LLOYDS BANK PLC	GBP	25,000,000	0.88%	05-Oct-18	25,000,000	1.28
LLOYDS BANK PLC	GBP	25,000,000	0.79%	02-Nov-18	25,000,000	1.27
LLOYDS BANK PLC	GBP	25,000,000	0.82%	09-Nov-18	25,000,000	1.28
LLOYDS BANK PLC	GBP	25,000,000	0.93%	14-Mar-19	25,000,000	1.28
MIZUHO BANK LTD	GBP	25,000,000	0.84%	03-Jan-19	25,001,902	1.28
MIZUHO BANK LTD	GBP	25,000,000	0.84%	07-Jan-19	25,000,000	1.27
NATIONAL AUSTRALIA BANK LTD	GBP	25,000,000	0.78%	11-Oct-18	25,000,000	1.27
NATIONAL AUSTRALIA BANK LTD	GBP	25,000,000	0.69%	06-Dec-18	25,000,000	1.27
NATIONAL AUSTRALIA BANK LTD	GBP	25,000,000	0.89%	03-May-19	25,000,000	1.27
NATIXIS SA	GBP	25,000,000	0.73%	01-Oct-18	25,000,000	1.28
NORDEA BANK AB	GBP	25,000,000	0.84%	07-Jan-19	25,000,000	1.27
NORINCHUKIN BANK	GBP	25,000,000	-	14-Nov-18	24,975,339	1.27
NORINCHUKIN BANK	GBP	25,000,000	-	20-Nov-18	24,972,317	1.27
RABOBANK NEDERLAND NV	GBP	25,000,000	0.86%	04-Oct-18	25,000,408	1.28
SUMITOMO MITSUI BANKING CORPORATION	GBP	25,000,000	-	03-Oct-18	24,998,973	1.27
SUMITOMO MITSUI BANKING CORPORATION	GBP	25,000,000	-	06-Nov-18	24,979,823	1.27
SUMITOMO MITSUI TRUST BANK LTD	GBP	25,000,000	0.83%	07-Nov-18	25,000,000	1.27
SUMITOMO MITSUI TRUST BANK LTD	GBP	25,000,000	0.85%	13-Dec-18	25,000,000	1.28
SUMITOMO MITSUI TRUST BANK LTD	GBP	25,000,000	-	07-Jan-19	24,943,770	1.27
TORONTO DOMINION BANK	GBP	35,200,000	0.76%	10-Dec-18	35,198,573	1.80
TORONTO DOMINION BANK	GBP	25,000,000	0.82%	12-Dec-18	25,000,000	1.28
TORONTO DOMINION BANK	GBP	25,000,000	0.87%	20-Dec-18	25,000,000	1.28
WELLS FARGO BANK INTERNATIONAL	GBP	6,000,000	0.80%	08-Nov-18	6,000,000	0.31
WELLS FARGO BANK INTERNATIONAL	GBP	10,000,000	0.80%	03-Dec-18	10,000,000	0.51
Total Certificates of Deposit					975,911,986	49.76
COMMERCIAL PAPER 22.73%						
ABN AMRO BANK	GBP	25,000,000	-	04-Oct-18	24,998,667	1.28
AUSTRALIA AND NEW ZEALAND BANKING	GBP	25,000,000	-	05-Nov-18	24,982,781	1.27
BANQUE FEDERATIVE DU CREDIT MUTUEL	GBP	25,000,000	-	17-Jan-19	24,936,566	1.27
BANQUE FEDERATIVE DU CREDIT MUTUEL	GBP	25,000,000	-	04-Mar-19	24,905,493	1.27
BAYERISCHE MOTOREN WERKE AG	GBP	25,000,000	-	29-Oct-18	24,985,748	1.27
BAYERISCHE MOTOREN WERKE AG	GBP	25,000,000	-	30-Oct-18	24,983,350	1.27
FEDERATION DES CAISSES DESJARDINS	GBP	10,000,000	-	07-Nov-18	9,992,202	0.51
ING BANK NV	GBP	25,000,000	-	04-Dec-18	24,968,987	1.27
NORDEA BANK AB	GBP	50,000,000	-	14-Jan-19	49,880,940	2.54
NORDEA BANK AB	GBP	23,000,000	-	11-Mar-19	22,911,106	1.17
OP CORPORATE BANK PLC	GBP	10,000,000	-	10-Oct-18	9,997,864	0.51
OP CORPORATE BANK PLC	GBP	10,500,000	-	15-Oct-18	10,496,472	0.54
OP CORPORATE BANK PLC	GBP	10,000,000	-	08-Nov-18	9,991,808	0.51

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Sterling Liquidity Fund

Schedule of Investments (continued)

As of 30 September 2018

(Expressed in GBP)

ISSUE	DENOMINATION CURRENCY	HOLDINGS	COUPON RATE	MATURITY DATE	AMORTISED COST	PERCENTAGE OF NET ASSETS
TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS						
COMMERCIAL PAPER 22.73%						
OP CORPORATE BANK PLC	GBP	13,000,000	-	04-Jan-19	12,971,658	0.66
OP CORPORATE BANK PLC	GBP	10,000,000	-	11-Feb-19	9,969,138	0.51
OP CORPORATE BANK PLC	GBP	25,000,000	-	03-May-19	24,860,291	1.27
OVERSEA-CHINESE BANKING CORP	GBP	50,000,000	-	19-Dec-18	49,916,292	2.55
SUMITOMO MITSUI BANKING CORPORATION	GBP	25,000,000	-	11-Oct-18	24,994,866	1.28
SUMITOMO MITSUI BANKING CORPORATION	GBP	25,000,000	-	19-Nov-18	24,973,856	1.27
SVENSKA HANDELSBANKEN AB	GBP	10,000,000	-	15-Oct-18	9,997,051	0.51
Total Commercial Paper					445,715,136	22.73
FLOATING RATE NOTES 6.12%						
COMMONWEALTH BANK OF AUSTRALIA	GBP	25,000,000	1.48%	26-Oct-18	25,011,757	1.28
COMMONWEALTH BANK OF AUSTRALIA	GBP	20,000,000	0.85%	21-Mar-19	20,000,000	1.02
COMMONWEALTH BANK OF AUSTRALIA	GBP	25,000,000	0.88%	12-Jul-19	24,999,514	1.27
DANSKE BANK A/S	GBP	5,000,000	1.20%	04-Oct-18	5,000,189	0.25
DBS BANK LTD	GBP	20,000,000	0.87%	22-Mar-19	20,000,000	1.02
ROYAL BANK OF CANADA	GBP	5,000,000	0.82%	22-Jan-19	5,000,590	0.26
TORONTO DOMINION BANK	GBP	20,000,000	0.84%	17-Dec-18	20,000,000	1.02
Total Floating Rate Notes					120,012,050	6.12
ASSET BACKED COMMERCIAL PAPER 2.54%						
COLLATERALIZED COMMERCIAL PAPER CO III	GBP	25,000,000	-	08-Nov-18	24,979,520	1.27
COLLATERALIZED COMMERCIAL PAPER CO III	GBP	25,000,000	-	04-Mar-19	24,903,402	1.27
Total Asset Backed Commercial Paper					49,882,922	2.54
Total Transferable Securities and Money Market Instruments					1,591,522,094	81.15
Total Investments					1,591,522,094	81.15
Other assets in excess of liabilities					369,596,910	18.85
Total Net Assets					1,961,119,004	100.00

The accompanying notes form an integral part of these financial statements.

MORGAN STANLEY LIQUIDITY FUNDS

Notes to the Financial Statements 30 September 2018

1. General information:

Capital terms used and not defined herein shall have the same meaning as included in the Prospectus of Morgan Stanley Liquidity Funds (the “Company”). 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 2018 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
	Qualified Shares	08 June 2018
US Dollar Liquidity Fund	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 Shares	12 April 2018
US Dollar Treasury Liquidity Fund	Qualified Accumulation Shares	15 March 2016
	Advisory Shares	16 August 2016
	Institutional Shares	17 June 2013
	Institutional Accumulation Shares	10 August 2018
	Institutional Select Shares	16 January 2014
	MS Reserve Shares	17 June 2013
Sterling Liquidity Fund	Qualified Accumulation Shares*	26 September 2018
	Institutional Shares	17 June 2013
	Institutional Accumulation Shares	17 June 2013
	Institutional Select Shares	26 June 2014
	Qualified Shares	17 June 2013

*Share Class was re-activated on 26 September 2018 at a price of USD100.00.

The Class of Shares that closed during the period is detailed in the table below:

Name of the Sub-Fund	Class of Shares	Closure date
US Dollar Liquidity Fund	Advantage Accumulation Shares	18 September 2018

MORGAN STANLEY LIQUIDITY FUNDS

Notes to the Financial Statements (continued) 30 September 2018

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, (i) investments with a maturity at issuance of up to and including 397 days, (ii) investments with a residual maturity of up to and including 397 days, (iii) investments that undergo regular yield adjustments in line with money market conditions at least every 397 days, or (iv) investments with risk profile including credit and interest rate risks, which corresponds to that of financial instruments which have a maturity referred to in (i) and (ii) or are subject to a yield adjustment as referred to in point (iii) above. In addition, (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 2018 and 31 March 2018 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 2018

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. Cash owed to bank is shown in current liabilities in the Statement of Net Assets.

(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 2018	as of 31 March 2018
1 USD = 0.860955 EUR	1 USD = 0.813107 EUR
1 USD = 0.766841 GBP	1 USD = 0.712860 GBP

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

as of 30 September 2018	as of 30 September 2017
1 USD = 0.849824 EUR	1 USD = 0.880233 EUR
1 USD = 0.751569 GBP	1 USD = 0.773024 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

Notes to the Financial Statements (continued) 30 September 2018

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 2014¹.

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.

¹ 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

Notes to the Financial Statements (continued) 30 September 2018

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, and 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 2018

6. Fees and expenses: (continued)

(a) Service Provider Fees (continued)

The maximum chargeable Management fee rates as at 30 September 2018 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
	Qualified Shares	0.20% per annum of the NAV
US Dollar Liquidity Fund	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
	Qualified Shares	0.20% per annum of the NAV
	Qualified Accumulation Shares	0.20% per annum of the NAV
US Dollar Treasury Liquidity Fund	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
	MS Reserve Shares	Nil
	Qualified Accumulation Shares	0.20% per annum of the NAV
Sterling 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
	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.

Directors who are executive directors or employees of the Investment Advisor, the Management Company or its affiliate will not be entitled to remuneration from the Company for their services as Directors of the 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

Notes to the Financial Statements (continued) 30 September 2018

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 2018, the Feeder Fund held 19% 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 2018 were as follows:

Absolute Return Fixed Income Fund
Buy and Hold 2020 Fund
Emerging Europe, Middle East and Africa Equity Fund
Euro Bond Fund
Euro Corporate Bond Duration Hedge Fund
Euro Corporate Bond Fund
Euro Strategic Bond Duration Hedge Fund
Euro Strategic Bond Fund
European Champions Fund
European Currencies High Yield Bond Fund
European Equity Alpha Fund
European Property Fund
Eurozone Equity Alpha Fund
Global Balanced Risk Control Fund
Global Bond Fund
Global Multi Asset Opportunity Fund
Short Maturity Euro Bond Fund

The Sub-Funds of Morgan Stanley Investment Funds that held shares in the Company's US Dollar Liquidity Fund as at 30 September 2018 were as follows:

Asian Equity Fund
Asian Fixed Income Opportunities Fund
Asia-Pacific Equity Fund
Buy and Hold 2020 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

MORGAN STANLEY LIQUIDITY FUNDS

Notes to the Financial Statements (continued) 30 September 2018

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

Emerging Markets Fixed Income Opportunities Fund
Euro Corporate Bond Fund
Euro Strategic Bond Fund
European Currencies High Yield Bond Fund
Frontier Emerging Markets Equity Fund
Global Bond Fund
Global Buy and Maintain Bond Fund
Global Convertible Bond Fund
Global Credit Fund
Global Fixed Income Opportunities Fund
Global High Yield Bond Fund
Global Mortgage Securities Fund
Latin American Equity Fund
Liquid Alpha Capture 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 2018 were as follows:

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

Mr. Andrew Mack, Director of Morgan Stanley Liquidity Funds, is also non-executive Director of the Management Company Morgan Stanley Investment Management (ACD) Limited.

Diane Jane Hosie, Director of Morgan Stanley Liquidity Funds, is also managing Director 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.

MORGAN STANLEY LIQUIDITY FUNDS

Notes to the Financial Statements (continued) 30 September 2018

8. Reverse Repurchase Transactions:

As at 30 September 2018, the Euro Liquidity Fund, US Dollar Liquidity Fund and US Dollar Treasury Liquidity Fund had entered into reverse repurchase transactions. The total commitment of the reverse repurchase agreements is 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 / -0.45% / 01/10/2018	Euroclear	190,000,000	EUR	193,800,477	EUR
	Total		190,000,000	EUR	193,800,477	EUR
US Dollar Liquidity Fund	Bank of Nova Scotia / 2.23% / 01/10/2018	Bank of New York	290,000,000	USD	290,053,931	USD
	Barclays Bank Plc / 2.24% / 01/10/2018	Bank of New York	45,000,000	USD	45,008,464	USD
	JP Morgan Securities LLC / 2.25% / 01/10/2018	JP Morgan Securities	500,000,000	USD	500,093,816	USD
	Merrill Lynch Pierce Fenner & Smith Inc / 2.26% / 01/10/2018	Bank of New York	200,000,000	USD	200,000,060	USD
	Total		1,035,000,000	USD	1,035,156,271	USD
US Dollar Treasury Liquidity Fund	Bank of Nova Scotia / 2.23% / 01/10/2018	Bank of New York	360,000,000	USD	360,066,971	USD
	Barclays Bank Plc / 2.24% / 01/10/2018	Bank of New York	405,000,000	USD	405,075,640	USD
	Canadian Imperial Bank of Commerce / 2.24% / 01/10/2018	Bank of New York	350,000,000	USD	350,065,379	USD
	JP Morgan Securities LLC / 2.24% / 01/10/2018	JP Morgan Securities	1,000,000,000	USD	1,000,186,699	USD
	Total		2,115,000,000	USD	2,115,394,689	USD

The collateral received by the Sub-Funds in respect of reverse repurchase transactions as at 30 September 2018 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 was 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 2018, 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	Sumitomo Mitsui Trust Bank Ltd	EUR	189,965,091	(0.49)	1-Oct-18
	Mizuho Bank Ltd	EUR	189,170,674	(0.46)	1-Oct-18
	Sumitomo Mitsui Banking Corporation	EUR	186,154,915	(0.49)	1-Oct-18
	Bred Banque Populaire	EUR	149,858,065	(0.48)	1-Oct-18
	BNP Paribas	EUR	98,098,232	(0.50)	1-Oct-18
	DZ Bank AG Deutsche Zentral-Genoss	EUR	30,835,029	(0.50)	1-Oct-18
	Total		EUR	844,082,006	

MORGAN STANLEY LIQUIDITY FUNDS

Notes to the Financial Statements (continued) 30 September 2018

9. Time Deposits: (continued)

Name of the Sub-Fund	Counterparty	Currency	Holdings	Interest (%)	Maturity Date
US Dollar Liquidity Fund	National Bank Of Canada	USD	1,000,000,000	2.14	1-Oct-18
	Australia and New Zealand Banking	USD	500,000,000	2.17	1-Oct-18
	National Bank Of Canada	USD	430,000,000	2.14	1-Oct-18
	Lloyds Bank Plc	USD	400,000,000	2.15	1-Oct-18
	Canadian Imperial Bank Of Commerce	USD	281,000,000	2.13	1-Oct-18
	Commonwealth Bank Of Australia	USD	250,000,000	2.13	1-Oct-18
	Natixis	USD	250,000,000	2.15	1-Oct-18
	Credit Agricole CIB	USD	206,000,000	2.15	1-Oct-18
	National Bank Of Canada	USD	200,000,000	2.13	1-Oct-18
	National Bank Of Canada	USD	200,000,000	2.15	1-Oct-18
	Total	USD	3,717,000,000		

Name of the Sub-Fund	Counterparty	Currency	Holdings	Interest (%)	Maturity Date
Sterling Liquidity Fund	Commonwealth Bank Of Australia	GBP	121,032,267	0.75	1-Oct-18
	Sumitomo Trust And Banking Co	GBP	95,663,003	0.71	1-Oct-18
	Bred Banque Populaire	GBP	94,799,870	0.71	1-Oct-18
	Mizuho Bank Ltd	GBP	58,788,165	0.71	1-Oct-18
		Total	GBP	370,283,305	

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 2018.

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 and latest Prospectus changes:

The list of changes in the portfolio for the period and latest prospectus are 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:

Diane Hosie, Carine Feipel and Susanne van Dootingh were appointed as Director to the Board of Directors of the Company effective 17 July 2018.

MORGAN STANLEY LIQUIDITY FUNDS

Notes to the Financial Statements (continued) 30 September 2018

15. Significant events: (continued)

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 came into force on 21 July 2018 and existing Funds will have to be compliant by 21 January 2019. The Management Company will ensure the Company 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 2018 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 2018:

Sub-Fund Name	Sub-Fund Currency	Market Value in Sub-Fund Currency	% of Total Net Assets Value
Euro Liquidity Fund	EUR	190,000,000	4.85%
US Dollar Liquidity Fund	USD	1,035,000,000	4.41%
US Dollar Treasury Liquidity Fund	USD	2,115,000,000	42.09%
Sterling Liquidity Fund	GBP	-	-

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 2018:

Issuer Name	COLLATERAL MARKET VALUE (in Sub-Fund Currency)		
	Euro Liquidity Fund	US Dollar Liquidity Fund	US Dollar Treasury Liquidity Fund
	EUR	USD	USD
Government of the Kingdom of Spain	42,285,499	-	-
Government of the Kingdom of Italy	145,514,978	-	-
Federal Home Loan Bank	-	45,385,453	-
Freddie Mac	-	24,106,772	-
Fannie Mae	-	47,276,103	-
Tennessee Valley Authority	-	2,114,453	-
Government of the United States of America	-	916,273,490	2,115,394,689
Total	193,800,477	1,035,156,271	2,115,394,689

MORGAN STANLEY LIQUIDITY FUNDS

Appendix 1: Securities Financing Transactions Regulation (continued)

II. Concentration Data (continued)

Counterparties

The following table lists the counterparties by value of assets engaged in reverse repurchase transactions as at 30 September 2018:

Sub-Fund Name	Counterparty	Incorporation Country	Settlement and Clearing	Currency	Market Value of Reverse Repurchase Transactions
Euro Liquidity Fund	Citigroup Global Markets	United States of America	Tri-party	EUR	190,000,000
US Dollar Liquidity Fund	Merrill Lynch Pierce Fenner & Smith Inc	United States of America	Tri-party	USD	200,000,000
US Dollar Liquidity Fund	Bank of Nova Scotia	Canada	Tri-party	USD	290,000,000
US Dollar Liquidity Fund	Barclays Bank Plc	United Kingdom	Tri-party	USD	45,000,000
US Dollar Liquidity Fund	JP Morgan Securities LLC	United States of America	Tri-party	USD	500,000,000
US Dollar Treasury Liquidity Fund	Canadian Imperial Bank of Commerce	Canada	Tri-party	USD	350,000,000
US Dollar Treasury Liquidity Fund	JP Morgan Securities LLC	United States of America	Tri-party	USD	1,000,000,000
US Dollar Treasury Liquidity Fund	Bank of Nova Scotia	Canada	Tri-party	USD	360,000,000
US Dollar Treasury Liquidity Fund	Barclays Bank Plc	United Kingdom	Tri-party	USD	405,000,000

III. Aggregate Transaction Data

Type, currency and quality of collateral

Non-cash collateral received by the 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	193,800,477
US Dollar Liquidity Fund	USD	Fixed Income	Investment Grade	1,035,156,271
US Dollar Treasury Liquidity Fund	USD	Fixed Income	Investment Grade	2,115,394,689
Sterling Liquidity Fund	GBP	-	-	-

MORGAN STANLEY LIQUIDITY FUNDS

Appendix 1: Securities Financing Transactions Regulation (continued)

III. Aggregate Transaction Data (continued)

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)						open maturity
		1 day	2 to 6 days	1 to 4 weeks	1 to 3 months	3 to 12 months	more than 1 year	
Euro Liquidity Fund	EUR	-	-	-	-	138,569,634	55,230,843	-
US Dollar Liquidity Fund	USD	103,903	5,669,867	-	27,208,386	106,456,984	895,717,131	-
US Dollar Treasury Liquidity Fund	USD	-	-	-	32,248,117	17,886,786	2,065,259,786	-

Maturity tenure of reverse repurchase transactions

All transactions as at 30 September 2018 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.

Collateral Granted

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

MORGAN STANLEY LIQUIDITY FUNDS

Appendix 1: Securities Financing Transactions Regulation (continued)

V. Safekeeping of Collateral (continued)

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 2018:

Sub-Fund Name	Sub-Fund Currency	<i>in Sub-Fund Currency</i>	
		Interest received by the Sub-Funds	Interest charged to Sub-Funds
Euro Liquidity Fund	EUR	-	461,606
US Dollar Liquidity Fund	USD	6,144,550	-
US Dollar Treasury Liquidity Fund	USD	5,050,242	-
Sterling Liquidity Fund	GBP	-	-

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