

Prospectus

MORGAN STANLEY LIQUIDITY FUNDS

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

December 2018

Morgan Stanley Liquidity Funds is a Luxembourg *Société d'Investissement à Capital Variable* which is composed of several separate Funds.

The Company's objective is to provide investors with access to a diversified liquidity management expertise through a range of separate Funds, each having its own investment objective and policy.

IMPORTANT INFORMATION

SHARES ARE NOT BEING OFFERED OR SOLD IN ANY JURISDICTION WHERE THE OFFER OR SALE IS PROHIBITED BY LAW OR TO ANY PERSON WHICH IS NOT QUALIFIED FOR THAT PURPOSE.

The Company is an investment company with variable capital (**SICAV**) incorporated and authorised under Part I of the Law in accordance with the provisions of the UCITS Directive and listed on the official list of UCITS approved by the Luxembourg Regulatory Authority.

However, this inclusion on the official list does not require an approval or disapproval of the Luxembourg Regulatory Authority as to the suitability or accuracy of this Prospectus or any Key Investor Information Document generally relating to a Fund or specifically relating to any Class. Any declaration to the contrary should be considered as unauthorised and illegal.

The Company has appointed Morgan Stanley Investment Management (ACD) Limited as designated management company¹.

The members of the Board of Directors of the Company, whose names appear under “*Directory*”, accept joint responsibility for the information and statements contained in this Prospectus and in the Key Investor Information Document issued for each Class.

Reliance on this Prospectus and on the Key Investor Information Document(s)

Shares in any Fund described in this Prospectus as well as in the Key Investor Information Document(s) are offered only on the basis of the information contained herein and therein and (if applicable) any addendum hereto and thereto and the latest audited annual financial report and any subsequent semi-annual financial report of the Company.

Any information given or representations made, by any dealer, salesman or other person not contained in this Prospectus, the Key Investor Information Document(s) or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the Key Investor Information Document(s) nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus or the Key Investor Information Document(s) is correct as of any time subsequent to the date of the respective document. To reflect material changes, this Prospectus and the Key Investor Information

¹ With effect from 1 January 2019, MSIM Fund Management (Ireland) Limited will become the Company’s management company, replacing Morgan Stanley Investment Management (ACD) Limited. References in this document to “Management Company” should, with effect from that date, be construed as references to MSIM Fund Management (Ireland) Limited

Document(s) may from time to time be updated and intending subscribers should enquire of the Management Company, the Administrator or the Distributor² as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

Upon request prospective investors may obtain free of charge a copy of this Prospectus, the annual and semi-annual financial reports of the Company and the Articles. Prospective investors must have read the Key Investor Information Document for each Class of Shares in which they wish to invest, prior to their first subscription, in compliance with applicable laws and regulations. These documents are available free of charge at the registered office of the Company and from the Distributor. The Key Investor Information Document will be also available on the website set forth for each Fund under “*Fund Particulars*”.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available upon request.

This Prospectus and the Key Investor Information Documents may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. Where there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

For defined terms used in this Prospectus, please refer to the “*Glossary of Terms*”.

Investor Responsibility

Prospective investors should review this Prospectus and each relevant Key Investor Information Document carefully in its entirety and consult with their legal, tax and financial advisors in relation to (i) the legal requirements within their own countries for the subscription, holding, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own country in relation to the subscription, holding, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, holding, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisors if they have any doubts regarding the contents of this Prospectus and each Key Investor Information Document.

² With effect from 1 January 2019, MSIM Fund Management (Ireland) Limited, will appoint Morgan Stanley Investment Management (Ireland) Limited as the global distributor for marketing the Shares, with authority to appoint sub-distributors. References in this document to the “Distributor” should, with effect from that date, be construed as references to Morgan Stanley Investment Management (Ireland) Limited. Also with effect from 1 January 2019, the Distributor has appointed Morgan Stanley Investment Management Limited as one of its sub-distributors

Targeted investors

The profile of the typical investor for each Fund is described in each Fund under “*Fund Particulars*”.

Distribution and Selling Restrictions

No persons receiving a copy of this Prospectus in any jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Shares unless such an invitation could lawfully be made without compliance with any registration or other legal requirements in the relevant jurisdiction. It is the responsibility of any recipient of this Prospectus to confirm and observe all applicable laws and regulations. The following information is provided as a general guide only.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Funds. Investors should only consider investing in the Funds if they understand the risks involved including the risk of losing all capital invested. Distributors and other intermediaries which offer, recommend or sell Shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such distributors and other intermediaries must consider such information about the Funds as is made available by the Distributor for the purposes of the EU’s Product Governance regime, including, without limitation, target market information. Distributors and intermediaries may obtain such information on request from Morgan Stanley Investment Management Limited at **Liquidity.Services@morganstanley.com**.

United States

The Directors have resolved to prevent the ownership of Shares by any U.S. Person. As such, Shares have not been and will not be registered under the Securities Act or the securities laws of any of the States of the United States and the Company will not be registered under the United States Investment Company Act of 1940, as amended. Shares may not be offered, sold or delivered directly or indirectly in the United States, or to or for the account or benefit of any U.S. Person. Applicants for Shares will generally be required to certify that they are not U.S. Persons. All Shareholders are required to notify the Management Company of any change in their status as non-U.S. Person.

Investment Risks

Investment in any Fund carries with it a degree of financial risk, which may vary among Funds. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested. Investment risk factors for an investor to consider are set out under “*Principal Risks*” as well as in the description of each relevant Fund.

The Company does not represent an obligation of, nor is it guaranteed by the Investment Adviser or any other affiliate or subsidiary of Morgan Stanley Investment Management Inc.

Data Protection

A detailed data protection notice is included as Appendix 2 to this Prospectus. Shareholders and prospective investors should read the information contained in Appendix 2 to understand how the Company, the Management Company, their affiliates and anyone acting on their behalf will process a Shareholder's personal data.

Additional Information

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general meetings of Shareholders, if the investor is registered himself and in his own name in the register of Shareholders of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

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GLOSSARY OF TERMS

“Accumulation Shares”	a Class of Shares in a Fund carrying no right to any distribution of income but the income attributable to such Shares is retained within the relevant Fund and reflected in the Net Asset Value of such Shares. Details of any such Shares for each Fund are contained in “ <i>Fund Particulars</i> ”.
“Administrative Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Administrative Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Administrator”	The Bank of New York Mellon (International), Luxembourg Branch. The Administrator of the Company will also act as registrar and transfer agent of the Company.
“Advantage Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Advantage Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Advisory Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Advisory Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Application Form”	the original form which must be submitted with the Subscription Form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors’ details or circumstances have changed from when this form was originally submitted.
“Articles”	the articles of incorporation of the Company.
“Auditor of the Company”	Ernst & Young S.A..
“Base Currency”	the currency of a Fund as specified in “ <i>Fund Particulars</i> ”.
“Board of Directors” or “Directors”	the board of directors of the Company or the members thereof.
“Board of Directors of the Management Company”	the board of directors of the Management Company.
“Business Day”	a full day on which banks are open for business in such jurisdictions and/or cities as are specified in “ <i>Fund Particulars</i> ”, for the relevant Fund or such other day(s) as the Board of Directors may determine in its discretion.
“Class” or “Class of Shares”	a Class of Shares in issue or to be issued in each Fund of the

	Company.
“Company”	Morgan Stanley Liquidity Funds.
“Company Law”	the Luxembourg law of 10 August 1915 on commercial companies, as amended.
“CRS”	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the CRS Law.
“CRS Law”	the Luxembourg law of 18 December 2015 on the Common Reporting Standard.
“Depositary”	The Bank of New York Mellon (International), Luxembourg Branch.
“Dealing Day”	in relation to each Class of Shares such day or days as is specified in respect of each Fund in “ <i>Fund Particulars</i> ” or such other day(s) as the Board of Directors may determine in its discretion and notify in advance to Shareholders.
“Dealing Deadline”	the cut-off time for the applications for subscription, exchange or redemption of Shares in a Fund, as specified in “ <i>Fund Particulars</i> ”.
“Distributing Shares”	a Class of Shares in a Fund which distribute income. Details of any such Shares are contained in “ <i>Fund Particulars</i> ”.
“Distributor”	Morgan Stanley Investment Management Limited ³ .
“Duties and Charges”	all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees, any transaction and safekeeping fees payable to the Depositary or its delegates or agents and other duties and charges whether in connection with the original acquisition or increase of the assets of the Company or the creation, issue or sale of Shares or the sale or purchase of investments by the Company or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission, taxes, charges or other costs which have been taken into account in ascertaining the Net Asset Value of the

³ With effect from 1 January 2019, MSIM Fund Management (Ireland) Limited will appoint Morgan Stanley Investment Management (Ireland) Limited as the global distributor for marketing the Shares, with authority to appoint sub-distributors. References in this document to “Distributor” should, with effect from that date, be construed as references to Morgan Stanley Investment Management (Ireland) Limited

	relevant Fund.
“EPM Techniques”	Efficient portfolio management techniques.
“ESMA”	The European Securities and Markets Authority or its successor.
“EU”	the European Union.
“EUR”	the legal currency of each of the countries participating in the European Economic and Monetary Union or, in case of change, replacement, abolition or withdrawal of such currency, any successor currency for each such country.
“Fund”	a specific pool of assets established within the Company, within the meaning of Article 181 of the Law.
“Group of Companies”	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules.
“Institutional Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Institutional (+1) Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Institutional Investors”	has the meaning given by Luxembourg law or guidelines or recommendations issued by the Luxembourg Regulatory Authority from time to time.
“Institutional Select Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Institutional Select Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Institutional Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Investment Adviser”	Morgan Stanley Investment Management Inc. or any investment adviser appointed by the Management Company, to manage any Fund under its supervision as set forth for each Fund under “ <i>Fund Particulars</i> ”.
“Key Investor Information Document”	the Key Investor Information Document issued for any Class or Fund.
“Law”	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
“Luxembourg Regulatory Authority”	the Luxembourg <i>Commission de Surveillance du Secteur Financier</i> (the “ CSSF ”) or its successor in charge of the

	supervision of UCI in the Grand Duchy of Luxembourg.
“Management Company”	Morgan Stanley Investment Management (ACD) Limited ⁴ .
“Management Fee”	the management fee payable to the Management Company as set forth for each Fund under “ <i>Fund Particulars</i> ”.
“Master Shares”	a Class of Shares in a Fund, details of which are contained in “ <i>Fund Particulars</i> ”.
“Member State”	a member State of the EU.
“Minimum Holding”	such number of Shares or Shares having such value (if any) as is specified for the relevant Fund in “ <i>Fund Particulars</i> ”.
“Minimum Initial Subscription”	means such amount (excluding any Preliminary Charge) in the relevant Base Currency which must be initially subscribed by each Shareholder for Shares of any Class in a Fund as is specified for the relevant Fund in “ <i>Fund Particulars</i> ”.
“Money Market Fund”	means a Fund qualifying as a money market fund in accordance with ESMA guidelines on a common definition of European money market funds (CESR/10-049).
“Money Market Instruments”	instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time.
“Month”	a calendar month.
“MS Reserve Accumulation Shares”	a Class of Shares in a Fund (details of which are contained in “ <i>Fund Particulars</i> ”) for clients of the Distributor (whether investing directly or where the Distributor and its affiliates invest on their behalf) for which an investment management fee may be payable to the Distributor or its affiliates under separate arrangements with the Distributor.
“MS Reserve Shares”	a Class of Shares in a Fund (details of which are contained in “ <i>Fund Particulars</i> ”) for clients of the Distributor (whether investing directly or where the Distributor and its affiliates invest on their behalf) for which an investment advisory fee may be payable to the Distributor or its affiliates under separate arrangements with the Distributor.

⁴ With effect from 1 January 2019, MSIM Fund Management (Ireland) Limited will become the Company’s management company, replacing Morgan Stanley Investment Management (ACD) Limited. References in this document to “**Management Company**” should, with effect from that date, be construed as references to MSIM Fund Management (Ireland) Limited

“Net Asset Value”	the net asset value of the Company, a Fund or a Class (as the context may require).
“Net Asset Value per Share”	the net asset value of a Class within a Fund divided by the number of Shares of that Class in issue or deemed to be in issue.
“OECD”	the Organisation for Economic Co-operation and Development.
“OTC”	over the counter.
“Other Regulated Market”	a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public.
“Other State”	any State of Europe which is not a Member State, any State of America, Africa, Asia, Australia and Oceania.
“Parent undertaking”	an undertaking which has the following rights: <ul style="list-style-type: none"> a) it has the majority of shareholders' or members' voting rights of another undertaking, or b) it has the right to appoint or remove the majority of the members of the administrative, management or supervisory board of another undertaking and is at the same time a shareholder or member of that undertaking, or it has the right to exercise a dominant influence over an undertaking of which it is a shareholder or member, pursuant to a contract entered into with that undertaking or to a provision in its articles of association where the law governing that undertaking allows it to be subject to such contracts or provisions, or it is a shareholder or member of an undertaking and controls alone, pursuant to an agreement entered into with other shareholders or members of this undertaking, the majority of the voting rights of the shareholders and members of the latter, or it may exercise or effectively exercises a dominant influence over another undertaking, or it is placed under management on a unified basis with another undertaking.

“Preliminary Charge”	a percentage of the Net Asset Value per Share as indicated in each <i>“Fund Particulars”</i> which shall be charged, if applicable, on subscribing investors and paid to the relevant Fund.
“Redemption Form”	the form to be submitted to make an application for redemption of Shares.
“Qualified Shares”	a Class of Shares in a Fund, details of which are contained in <i>“Fund Particulars”</i> .
“Qualified Accumulation Shares”	a Class of Shares in a Fund, details of which are contained in <i>“Fund Particulars”</i> .
“Reference Currency”	the currency of the Company.
“Regulated Market”	a regulated market according to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments amending Directive 2002/92/EC of the European Parliament and of the Council and Directive 2011/61/EU (hereinafter “MiFID II”). A list of EU regulated markets according to MiFID II is regularly updated and published by ESMA on its website.
“Securities Act”	the U.S. Securities Act of 1933, as amended.
“Securities Financing Transactions” or “SFTs”	means the securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, as explained in paragraph C.(15) under the heading <i>“Derivatives and Techniques Relating to Transferable Securities and Money Market Instruments”</i> , and under the heading <i>“Use of EPM Techniques”</i> in the section entitled <i>“Principal Risks”</i> .
“Settlement Date”	in respect of receipt of monies for payment of subscription monies or dispatch of monies for the redemption of Shares, the dates specified in <i>“Fund Particulars”</i> .
“Shareholders”	holders of Shares in the Company, as recorded in the books of the Company on file with the Administrator.
“Shares”	shares of any Class within any Fund in the Company.
“Sub-Investment Adviser”	Morgan Stanley & Co International plc or any sub-investment adviser appointed by the Investment Adviser, to whom the management of any Fund under its supervision has been delegated, as set forth for each Fund under <i>“Fund Particulars”</i> .
“Subscription Form”	the subscription form to be completed in respect of each purchase of Shares.
“Short-Term Money Market	means a Fund qualifying as a short-term money market fund

Fund	in accordance with ESMA guidelines on a common definition of European money market funds (CESR/10-049).
“Transferable Securities”	- shares in companies and other securities equivalent to shares in companies; - bonds and other forms of securitised debt; - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange with the exclusion of techniques and instruments.
“UCI”	an undertaking for collective investment as defined by the Law.
“UCITS”	an undertaking for collective investment in Transferable Securities under Article 1 (2) of the UCITS Directive and as defined by the Law.
“UCITS Directive”	Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in Transferable Securities, as amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions and as may be further amended in the future.
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.
“United States” or “U.S.”	the United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico.
“U.S. Person”	as defined pursuant to Regulation S under the Securities Act.
“Valuation Point”	the point in time by reference to which the Net Asset Value of a Fund is calculated as is specified in “ <i>Fund Particulars</i> ” for the relevant Fund.

In this Prospectus, references to **Euro** or **€** are references to the lawful currency of Luxembourg, references to **Pound Sterling** or **£** are to the lawful currency of the United Kingdom and references to **US\$** or **US Dollars** are to the currency of the United States. All references to the foregoing currencies shall include any successor currency.

A. GENERAL PART

DIRECTORY

Board of Directors of the Company:

Andrew Mack

Director, UK. Formerly CEO of Morgan Stanley Investment Management EMEA. Acted as a consultant to Morgan Stanley Investment Management until 31 December 2013

William Jones

Independent Director, Luxembourg

Michael Griffin

Independent Director, Dublin, Ireland

Henry Kelly

Independent Director, Luxembourg

Diane Hosie

Director, UK. Managing Director, Morgan Stanley Investment Management, Global Sales and Distribution

Susanne Van Dootingh

Independent Director, Belgium

Carine Feipel

Independent Director, Luxembourg

Management Company:

Current Management Company:

Morgan Stanley Investment Management (ACD) Limited

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Management Company as from 1 January 2019:

MSIM Fund Management (Ireland) Limited

The Observatory, 7-11 Sir John Rogerson's Quay
Dublin 2 D02VC42
Ireland

Board of Directors of the

Management Company⁵:

Andrew Mack

Non-executive Director, UK. Formerly CEO of Morgan Stanley Investment Management EMEA. Acted as a consultant to Morgan Stanley Investment Management until 31 December 2013

Andrew Onslow

Managing Director, Morgan Stanley Investment Management, Head of Investment Management Operations International

Ruairi O’Healai

Managing Director, CEO of Morgan Stanley Investment Management (ACD) Limited and Chief Operating Officer International of Morgan Stanley Investment Management

Diane Hosie

Managing Director, Morgan Stanley Investment Management, Global Sales & Distribution

Depositary:

**The Bank of New York Mellon (International),
Luxembourg Branch**

2-4 rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

Administrator:

**The Bank of New York Mellon (International),
Luxembourg Branch**

2-4 rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

Domiciliary Agent:

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

6B route de Trèves
L-2633 Senningerberg
Luxembourg

⁵ With effect as from 1 January 2019, the members of the board of directors of MSIM Fund Management (Ireland) Limited are: Andrew Mack, Eimear Cowhey, Liam Manahan, Elaine Keenan and Diane Hosie.

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: Current Distributor:
Morgan Stanley Investment Management Limited
25 Cabot Square
Canary Wharf
London E14 4AD
United Kingdom

Distributor as from 1 January 2019:

Morgan Stanley Investment Management (Ireland) Limited
The Observatory, 7-11 Sir John Rogerson's Quay
Dublin 2 D02VC42
Ireland

Auditor of the Company: **Ernst & Young S.A.**
35E, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Legal Adviser: **Arendt & Medernach S.A.**
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Luxembourg

INTRODUCTION

The Company is an “umbrella fund” which may be composed of one or more Funds as set forth under “*List of Available Fund(s)*”, each representing a separate portfolio of assets. Shares in any particular Fund may be further divided into different Classes to accommodate different subscription, exchange and redemption provisions and/or fees and charges to which they are

subject, as well as their availability to certain types of investors. All references to a Fund, shall, where the context requires, include any Class of Shares that belongs to such Fund.

The Company has the possibility to create further Funds as well as further Classes of Shares in any Fund. When such new Fund or Classes of Shares are created, this Prospectus will be amended accordingly, in order to provide all the necessary information on such new Funds and Classes of Shares. A Key Investor Information Document relating to the new Fund/Class of Shares will also be issued accordingly.

The Management Company may decline any application for Shares in whole or in part without assigning any reason therefore and will not accept an initial subscription for Shares of any amount (exclusive of the Preliminary Charge, if any) which is less than the Minimum Initial Subscription as set forth in “*Fund Particulars*” for the relevant Fund, unless the Minimum Initial Subscription is waived by the Management Company.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, activities which may adversely affect the interests of the Company’s Shareholders (for example, activities that disrupt the Company’s investment strategies or impact expenses of the Company) are not permitted. The Management Company may, in its discretion, if it deems such activities adversely affect the interests of the Company’s Shareholders, take action as appropriate to deter such activities.

For further information on the Classes of Shares, investors should refer to “*Subscription, Transfer, Exchange and Redemption of Shares*” and to each “*Fund Particulars*” issued by the Company detailing the available Classes for each Fund as well as their characteristics.

The Company

The Company has been incorporated on 21 December 2012 for an unlimited period of time as a *société d’investissement à capital variable* under the form of a *société anonyme*.

The minimum capital of the Company, as provided by law, which must be achieved within six (6) months after the date on which the Company has been authorised as a UCITS under Luxembourg law, shall be of EUR 1,250,000.-. The initial capital of the Company is of three hundred ninety thousand Euro (EUR 390,000.-) divided into three hundred ninety thousand (390,000) Shares of no par value. The capital of the Company is represented by fully paid up Shares of no par value. The share capital is at all times equal to the total net assets of all the Fund(s).

The Articles have been lodged with the registry of the District Court of Luxembourg City and a publication of such deposit made in the *Mémorial C, Recueil des Sociétés et Associations* of 29 January 2013.

The Company is registered with the *Registre de Commerce et des Sociétés* under number B174137.

The registered office of the Company is located at 6B route de Trèves, L-2633 Senningerberg, Grand-Duchy of Luxembourg.

Under Luxembourg law, the Company is a distinct legal entity. Each Fund, however, is not a distinct legal entity from the Company. However, with regard to third parties and, in particular, with regard to the Company's creditors and between Shareholders, each Fund shall be exclusively responsible for all liabilities attributable to it. However, investors should note the risk factor "*Segregation of Liabilities between Funds*" under "*Principal Risks*".

The exclusive purpose of the Company will be to invest the funds available to it in Transferable Securities and other liquid financial assets permitted by the Law, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its assets.

The details of the investment objective and policies for each Fund of the Company appear in "*Fund Particulars*" for the relevant Fund.

Any material change in a Fund is subject to giving reasonable prior notice to Shareholders to enable them to request the redemption of their Shares prior to the implementation of such change. The Board of Directors has the power to change the investment objective and policies of a Fund.

In accordance with the UCITS regime, the Fund Particulars include a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this information does not constitute investment advice and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any Shares in any of the Funds. Neither the Company nor the Management Company makes any representation in relation to the suitability, appropriateness or otherwise of an investment in Shares in any of the Funds.

Sub-distributors or other intermediaries who require the manufacturer's target market assessment for the purposes of MiFID II should contact the Distributor at: Liquidity.Services@morganstanley.com.

INVESTMENT RESTRICTIONS

Unless more restrictive rules are provided for in the investment policy of any specific Fund, each Fund shall comply with the rules and restrictions detailed below.

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments by each Fund, the Base Currency, and the course of conduct of the management and business affairs of the Company.

The investment policy of each Fund shall comply with the rules and restrictions laid down hereafter.

A. Investments in the Fund(s) shall consist solely of:

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or an Other Regulated Market;
 - such admission is secured within one year of issue;
- (5) units of UCITS authorised according to the UCITS Directive and/or other UCIs within the meaning of Article 1 (2) a) and b) of the UCITS Directive, whether or not situated in a Member State or in an Other State, provided that:
 - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Luxembourg Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured; and
 - the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular to the rules on assets segregation, borrowing, lending, and short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive; and
 - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can in aggregate be invested in units of other UCITS or other UCIs, according to their constitutional documents;
- (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Luxembourg Regulatory Authority as equivalent to those laid down in EU law;
- (7) financial derivative instruments including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter (“**OTC derivatives**”), provided that:
- (a) the underlying consists of instruments covered by this Section A., financial indices, interest rates, foreign exchange rates or currencies, in which a Fund may invest according to its investment objectives;
 - (b) the counterparties to OTC derivatives transactions are institutions subject to prudential supervision and belonging to the categories approved by the Luxembourg Regulatory Authority;
 - (c) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and
- under no circumstances shall investments in financial derivative instruments cause a Fund to diverge from its investment objectives;
- (8) Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to

and complies with prudential rules considered by the Luxembourg Regulatory Authority to be at least as stringent as those laid down by EU law; or

- issued by other bodies belonging to the categories approved by the Luxembourg Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the three indents directly above and provided that the issuer is a company whose capital and reserves amount to at least ten million EUR (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line;
- (9) Securities issued by one or several other Funds (the “**Target Fund(s)**”), under the following conditions:
- the Target Fund does not invest in the investing Fund;
 - not more than 10 % of the assets of the Target Fund may be invested in other Funds;
 - the voting rights linked to the Transferable Securities of the Target Fund are suspended during the period of investment;
 - in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
 - there is no duplication of management/subscription or redemption fees between those at the level of the Fund having invested in the Target Fund and those of the Target Fund.

B. Each Fund may however:

- (1) Invest up to 10% of its assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (8).
- (2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be disregarded if the Board of Directors considers this to be in the best interest of the Shareholders.
- (3) Borrow up to 10% of its assets, provided that such borrowings are (i) made only on a temporary basis or (ii) enable the acquisition of immovable property essential for the direct pursuit of its business. When authorised to borrow under (i) and (ii) above, such borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute “borrowings” for the purpose of this restriction.

(4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Company shall comply in respect of the assets of each Fund with the following investment restrictions per issuer:

Risk Diversification Rules

For the purpose of calculating the restrictions described in (1) to (5), (8), (9), (20) and (21) below, companies which are included in the same Group of Companies are regarded as a single issuer.

Transferable Securities and Money Market Instruments

- (1) No Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - (i) upon such purchase more than 10% of its assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or
 - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in each of which it invests more than 5% of its assets would exceed 40% of the value of its assets.
- (2) A Fund may invest on a cumulative basis up to 20% of its assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Fund invests more than 5% of its assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the assets of such Fund.
- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) **Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its assets in**

Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member state of the OECD or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Fund.

- (7) Without prejudice to the limits set forth below under (22) and (23), the limits set forth in (1) are raised to a maximum of 20% for investments in stocks and/or debt securities issued by the same body when the aim of the Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg Regulatory Authority, on the following basis:
- the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. Investment up to this limit is only permitted for a single issuer.

Bank Deposits

- (8) A Fund may not invest more than 20% of its assets in deposits made with the same body.

Derivatives and Techniques Relating to Transferable Securities and Money Market Instruments

- (9) The risk exposure to a single counterparty to OTC derivatives transactions and EPM Techniques may not exceed 10% of a Fund's assets when the counterparty is a credit institution referred to in section A. (6) above or 5% of its assets in other cases.
- (10) Investment in financial derivative instruments shall only be made within the limits set forth in (2), (5) and (21), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (20) and (21). When a Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be taken into account or aggregated for the purpose of complying with the limits set forth in (1) to (5), (8), (9), (20) and (21).
- (11) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of C. (10) and D. hereunder as well as with the risk exposure and information requirements laid down in the sales documents of the Company.

- (12) Where a Fund enters into a total return swap (a “**TRS**”) or invests in other derivatives with similar characteristics:
- a. the assets held by the Fund should comply with the investment limits laid down in (1) to (8), (20), (22) and (23),
 - b. the underlying exposures of such derivatives must be taken into account to calculate the investment limits laid down in (1) to (8) and (20), and
 - c. none of the counterparties will have discretion over the composition or management of the portfolio of the Fund or the underlying assets of the financial derivative instruments.

In addition, a Fund may only enter into TRS with regulated financial institutions which have their registered office in one of the OECD countries, and which are specialised in such types of transactions and have a minimum credit rating of investment grade quality.

See paragraph (15) below for a further explanation of TRS and the Funds’ use thereof.

- (13) The annual reports will contain, in respect of each Fund that has entered into financial derivative instruments over the relevant reporting period, details of:
- a. the underlying exposure obtained through financial derivative instruments,
 - b. the identity of the counterparty(ies) to these financial derivative instruments,
 - c. the type and amount of collateral received to reduce counterparty risk exposure.
- (14) The Funds are authorised to employ EPM Techniques relating to Transferable Securities and Money Market Instruments subject to the following conditions:
- a. they are economically appropriate in that they are realised in a cost-effective way,
 - b. they are entered into for one or more of the following specific aims:
 - i. reduction of risk,
 - ii. reduction of cost,
 - iii. generation of additional capital or income for the relevant Fund with a level of risk which is consistent with its risk profile and applicable risk diversification rules,
 - c. their risks are adequately captured by the Management Company’s risk management process.

- (15) The EPM Techniques that may be employed by the Funds in accordance with paragraph (14) include (i) TRS, and (ii) securities lending or borrowing transactions, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions and margin lending transactions (each within the meaning of, and under the conditions set out in, applicable laws and regulations issued from time to time, in particular, but not limited to, the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and

of reuse) (together "**Securities Financing Transactions**", or "**SFTs**"). A statement pertaining to the use or non-use of SFTs by a Fund will be contained in the particulars of each Fund.

A TRS is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Securities and commodities lending and borrowing transactions consist of transactions whereby a lender transfers securities or commodities to a borrower, subject to a commitment that the borrower will return equivalent securities or commodities on a future date or when requested to do so by the lender, such transaction being considered as securities or commodities lending for the party transferring the securities or commodities, and being considered as securities or commodities borrowing for the counterparty to which they are transferred.

A repurchase agreement transaction is a forward transaction at the maturity of which a Fund has the obligation to repurchase the assets sold and the buyer (counterparty) the obligation to return the assets received under the transaction. A reverse repurchase agreement transaction is a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the assets sold and the relevant Fund has the obligation to return the assets received under the transaction.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

- (16) The use of EPM Techniques by the Funds is subject to the following conditions:
- a. When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.
 - b. When entering into a reverse repurchase agreement, the Company should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Fund.
 - c. When entering into a repurchase agreement, the Company should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

- d. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
 - e. The Company's annual report will include the following information:
 - i. the exposure obtained through EPM Techniques;
 - ii. the identity of the counterparty(ies) to these EPM Techniques;
 - iii. the type and amount of collateral received by the Company to reduce counterparty exposure; and
 - iv. the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.
- (17) For the purpose of the restriction set out in paragraph (9), above, the counterparty risk of a Fund towards a counterparty under OTC derivative instruments or EPM Techniques is reduced by the amount of collateral posted in favour of the Fund. Collateral received by the Funds must comply at all times with the eligibility requirements set out in “*Collateral Policy*”.
- (18) The collateral eligibility requirements set out in “*Collateral Policy*” stem from the ESMA Guidelines 2014/937 on ETFs and other UCITS issues (the “**ESMA Guidelines 2014/937**”) that apply to Luxembourg UCITS in accordance with CSSF Circular 14/592.

Units of Open-Ended Fund(s)

- (19) A Fund may not invest more than 10% of its net assets in aggregate in open-ended collective investment funds.

Combined Limits

- (20) Notwithstanding the individual limits laid down in (1) (i), (8) and (9) above, a Fund shall not have a combined exposure to:
- investments in Transferable Securities or Money Market Instruments issued by a single body, and
 - deposits made with that body, and
 - OTC derivatives transactions and EPM Techniques undertaken with that body

where such exposure exceeds 20% of the assets of the Fund.

- (21) The limits set out in (1), (3), (4), (8), (9) and (20) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits held or OTC derivatives transactions and EPM Techniques made with this body in compliance with (1), (3), (4), (8), (9) and (20) above may not exceed a total of 35% of the assets of any Fund.

Limitations on Control

- (22) The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or a significant influence over the management of the issuer.
- (23) The Company, as a whole, may not acquire (i) more than 10% of the outstanding non-voting shares of the same issuer; (ii) more than 10% of the outstanding debt securities of the same issuer; (iii) more than 10% of the Money Market Instruments of any single issuer; or (iv) more than 25% of the outstanding shares or units of the same UCITS and/or UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (22) and (23) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investment policy the restrictions set forth under C., items (1) to (5), (8) and (20); and
- shares in the capital of subsidiary companies which, exclusively on behalf of the Company carry on only the business of management, advice or marketing in the country where the subsidiary is located, with regard to the redemption of Shares at the request of Shareholders.

D. Finally, the Company shall comply in respect of the assets of each Fund with the following investment restrictions:

- (1) No Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- (2) No Fund may issue warrants or other rights to subscribe for its Shares.
- (3) A Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent any Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A., items (5), (7) and (8).
- (4) No Fund may enter into short sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A., items (5), (7) and (8).

E. Notwithstanding anything to the contrary herein contained:

- (1) The ceilings set forth above may be disregarded by any Fund when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Fund's portfolio.
- (2) If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

The Company has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Company are offered or sold.

F. Global Risk Exposure and Risk Management

Each Fund shall ensure that its global risk exposure relating to financial derivative instruments and EPM Techniques does not exceed its total Net Asset Value. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

The Management Company uses the commitment approach to calculate global exposure in accordance with CSSF Circular 11/512. The Management Company has a risk management process that determines the risk profile of the Funds and monitors and measures the positions of the Funds and their individual risk contribution.

COLLATERAL POLICY

1. General

The Company may employ derivatives and EPM Techniques relating to Transferable Securities and other financial liquid assets under the conditions laid down by the CSSF for efficient portfolio management, investment, hedging or other risk management purposes.

When these operations concern the use of derivative instruments and EPM Techniques, these conditions and limits shall conform to the provisions laid down in “*Investment Restrictions*”.

In particular, the counterparty risk arising from OTC derivative instruments and EPM Techniques may not exceed 10% of the assets of a Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit set at 5% in any other case.

Investors should refer to “*Principal Risks*” for special risk considerations applicable to derivatives, although none of the Funds has as a core strategy to achieve its investment objective through the entering into financial derivative instruments. If the Funds enter into such transaction, they will only do so with leading regulated financial institutions specialised in such types of transactions.

The Funds are authorized to employ EPM Techniques within the limits specified in “*Investment Restrictions*”. The attention of investors is drawn to the fact that all Funds may from time to time use EPM Techniques such as Securities Financing Transactions. Investors should refer to “*Principal Risks*” for special risk considerations applicable to EPM Techniques.

Under no circumstances shall these operations cause a Fund to diverge from its investment objectives as laid down under “*Investment Objective*” and “*Investment Policy*” of each Fund.

The counterparty risk of a Fund vis-à-vis a counterparty will be equal to the positive mark-to-market value of all OTC derivative and EPM Techniques transactions with that counterparty, provided that:

- if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC derivative and EPM Techniques transactions with the same counterparty may be netted, and
- if collateral is posted in favour of the Fund and such collateral complies at all times with the criteria set out in section 2 “Eligible collateral” below, the counterparty risk of a Fund towards a counterparty under OTC derivative or EPM Techniques transactions is reduced by the amount of such collateral.

The purpose of this section is to set the collateral policy that will be followed by all Funds.

2. Eligible collateral

2.1 General principles

Collateral received by a Fund may be used to reduce its counterparty risk associated with a transaction if it complies at all times with the criteria laid down in the ESMA Guidelines 2014/937.

2.2 For the purpose of paragraph 2.1 above, all assets received by a Fund in the context of EPM Techniques should be considered as collateral.

2.3 Eligible assets

Collateral received by a Fund, other than cash, should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing. Collateral received by a Fund will only be taken into account for reducing its counterparty risk associated with a transaction if it consists of assets which are part of the following list:

- (a) Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty is considered as equivalent to liquid assets.
- (b) Bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
- (d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below.
- (e) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
- (f) Shares admitted to or dealt in on a regulated market of a Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

The above general collateral eligibility requirements are without prejudice to the more specific requirements which may apply to a Fund under “*Investment Restrictions*” and “*Fund Particulars*” for each Fund.

Eligible collateral received by a Fund should be uncorrelated with the performance of the counterparty.

2.4 Diversification of collateral

The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund. By way

of derogation, this limit may be exceeded and up to 100% of the collateral received by a Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by one or several Member States, their local authorities, other member States of the OECD such as the US, or public international bodies to which one or more Member States belong, *provided* that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the Net Asset Value of the Fund.

2.5 Valuation of collateral

Collateral will be priced and valued at least on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy.

3. Reinvestment of collateral

3.1 Non-cash collateral

Non-cash collateral received by a Fund may not be sold, re-invested or pledged.

3.2 Cash collateral

Cash collateral received by a Fund can only be:

- (a) placed on deposit with credit institutions which either have their registered office in a Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- (d) invested in Short-Term Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out in paragraph 2.4 above.

4. Safekeeping of collateral

Collateral posted in favour of a Fund under a title transfer arrangement should be held by the Depository or one of its correspondents or sub-custodians. Collateral posted in favour of a Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

5. Haircut policy

The Company has a haircut policy relating to the classes of assets received as collateral for derivative transactions. The Company typically receives cash, high-quality government and non-government bonds as collateral. The Company will usually apply haircuts ranging from 0.5%-10% for government bonds and from 5%-15% for non-government bonds. The Company will usually apply haircuts ranging from 0.5%-15% for shares and units issued within the requirements set out under “*Eligible Assets*”. No haircut will generally be applied to cash collateral. Haircuts are assessed based on collateral credit quality, price volatility and tenor and the Company may vary the haircut outside the above ranges if it consider it to be appropriate based on these factors.

6. Selection of the counterparties by the Investment Adviser

The Investment Adviser has put in place internal standards for assessing and selecting counterparties. The Investment Adviser will transact only with approved counterparties subject to prudential supervision and located in any member state of the OECD.

In order to select the counterparty, the Investment Adviser takes into account factors including operational stability, execution capabilities, the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. In addition to the above factors, the Investment Adviser utilizes a minimum A-/A3 rating standard for derivative counterparties given the meaningful counterparty risk associated with these types of transactions.

On an exceptional basis and when it is in the best interest of the Company, the Investment Adviser Counterparty Risk Subcommittee may grant approval for counterparties outside of the defined criteria and/or with credit ratings below normal standards.

Once approved, a counterparty is subject to ongoing monitoring. Counterparty risk monitoring utilizes a number of different surveillance methods, including market indicators (cash/CDS/equity market movements), news headlines, changes in fundamental credit review or external rating agency actions. Material changes in any of these factors may result in the removal of a counterparty from the approved list at any time, the Investment Adviser will immediately cease trading and promptly review affected trades to assess if any further actions are necessary. All active counterparties are reviewed annually.

PRINCIPAL RISKS

Each separate security in which a Fund may invest, and the investment techniques which a Fund may employ, are subject to various risks. The following describes some of the general risk factors that should be considered before investing in a particular Fund. The following list is neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for advice on these matters.

Stable Net Asset Value Risk

Although it is intended to maintain a stable Net Asset Value in the Distributing Shares of the Funds, there can be no assurance that this will be achieved nor that the Funds will achieve their investment objectives. The value of such Funds may be affected by market movements (including but not limited to substantial adverse movement in interest rates), the creditworthiness of issuers of such Funds' investments, rising Duties and Charges, interest rates, premiums and service providers fees.

Market Risk

The price of Shares may be volatile and go down as well as up. Investors may not get back the amount they originally invested.

Counterparty Risk

A Fund may be exposed to a credit risk on counterparties with whom it trades securities and enters into repurchase agreements or other contracts. As a result the Fund may bear the risk of settlement default. To the extent that a counterparty defaults on its obligation, the Fund may suffer a loss of income, decrease in value and increase in costs.

Interest Rate Risk

The value of the Funds' underlying securities is affected by changes in interest rates. Typically if interest rates increase, the value of debt securities decline, and vice versa, if interest rates decrease the value of debt securities are likely to increase. Higher yielding securities tend to be more sensitive to changes in interests.

For floating rate securities, their income is directly linked to changes in interest rates.

Liquidity Risk

The Fund(s) may invest in securities which, under certain circumstances, may be difficult or impossible to sell at normal market levels. As a result, the Fund(s) may receive a lower price for these securities, or be forced to sell other securities which may result in a loss to the Fund(s).

Use of Derivatives and other Investment Techniques

The Fund(s) may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management (*i.e.* to increase or decrease their exposure to changing security prices, interest rates, currency exchange rates or other factors that affect security values) and hedging purposes. These techniques may include the use of forward currency exchange contracts, contracts for differences, futures and option contracts, swaps and other investment techniques.

Participation in derivatives transactions involves investment risks and transactions costs to which the Fund(s) would not be subject in the absence of the use of these strategies.

These techniques may increase the volatility of a Fund and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised. Fund(s) engaging in swap transactions are also exposed to a potential counterparty risk. In the case of insolvency or default of the swap counterparty, the Fund involved could suffer a loss.

There can be no assurance that the Investment Adviser will be able to successfully hedge the Fund(s).

Use of EPM Techniques

A Fund may enter into SFTs subject to the conditions and limits set out in “*Investment Restrictions*” and the “*Fund Particulars*” for each Fund. If the other party to an SFT should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities or and/or collateral held by the Fund in connection with the SFT are less than the repurchase price, the value of the underlying securities or the value of the securities to be returned or sold or bought-back (as applicable). In addition, in the event of bankruptcy or similar proceedings of the other party to the SFT or its failure otherwise to perform its obligations, the Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the SFT.

The Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Funds will only use SFTs for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Fund. When using such techniques, the Funds will comply at all times with sections “*Investment Restrictions*” and “*Fund Particulars*” for each Fund. The risks arising from the use of SFTs will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. The use of SFTs is generally not expected to have a material adverse impact on a Fund’s performance, subject to the Risk Factors described herein.

Collateral management

Counterparty risk arising from investments in OTC derivatives and securities lending, repurchase and reverse repurchase agreements is generally mitigated by the transfer or pledge

of collateral in favour of the Fund. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the securities are traded. Difficulties in selling securities may delay or restrict the ability of the Fund to meet redemption requests.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Segregation of Liabilities between Funds

Pursuant to Luxembourg law, the Company should not be liable as a whole to third parties and there should, in principle, be a segregation of liabilities between Funds. However, there can be no assurance that the segregated nature of the Funds will necessarily be upheld. In particular, the segregation of the assets of the Funds may not be guaranteed, should an action be brought against the Company in the courts of another jurisdiction.

Sale and Repurchase agreements

A Fund may enter into sale and repurchase agreements subject to the conditions and limits set out in “*Investment Restrictions*”. If the other party to a repurchase agreement should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

Sovereign Debt

There is a risk that governments may not be able or willing to repay the principal and/or interest when due in accordance with the terms of their debt. Consequently, governmental entities may default on their sovereign bonds.

Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

Credit Risk

There is a risk that issuers and counterparties may not make payments on securities and repurchase agreements. Such default could result in losses to the Fund(s). Securities with a lower credit rating have a higher risk of default, and may be subject to greater price volatility and lower levels of liquidity than higher rated securities.

Currency Risk

An investor may suffer losses, as a result, of changes in exchange rates between their investment currency and the Base Currency of the Fund(s).

Investment Adviser(s)/Sub-Investment Adviser(s) and Conflicts of Interest

The Investment Adviser(s) or the Sub-Investment Adviser(s) may have conflicts of interest in relation to its duties to the Company. The Investment Adviser(s) or the Sub-Investment Adviser(s) will, however, ensure that all such potential conflicts of interest are resolved fairly and in the best interests of the Shareholders in so far as it is possible to do so. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The Investment Adviser(s) or the Sub-Investment Adviser(s), or another member of the Group of Companies to which it belongs, may make investment decisions, undertake transactions and maintain investment positions for one or more clients that may impact the interests of other clients and that may pose a conflict of interest for the Investment Adviser(s) or the Sub-Investment Adviser(s), particularly if the company and / or its staff earn higher compensation from one mandate, product or client than for another. Such conflicts, for instance, are present when the Investment Adviser(s) or the Sub-Investment Adviser(s), or another member of the Group of Companies to which it belongs, buys and sells the same security at the same time for different clients or maintains market positions in the same instruments with market exposure in opposite directions at the same time for different clients. The Investment Adviser(s) or the Sub-Investment Adviser(s) and individual portfolio advisers may manage long only, long-short or short only mandates where such conflicts of interest may be especially prevalent. Such investment decisions, transactions or positions are taken, made and maintained in accordance with established policies and procedures designed to ensure an appropriate aggregation and allocation of trades and investment decisions executed or taken without creating undue advantage or disadvantage to any of the Investment Adviser(s)' or Sub-Investment Adviser(s)' mandates, products or client's and in line with the relevant mandates and investment guidelines for such clients.

In certain situations though, management of these conflicts may result in a loss of investment opportunity for clients or may cause the Investment Adviser(s) or the Sub-Investment Adviser(s) to trade or maintain market exposures in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.

In relation to any EPM Techniques used by the Funds, Securities Financing Transactions may be entered into on normal commercial terms with entities which are affiliates of the Investment Adviser.

The Distributor may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Company to investors against that client's best interests. The Management Company complies with all legal and regulatory requirements in the jurisdictions in which such payments are made.

The above is not necessarily a comprehensive list of all potential conflicts of interest.

Custody Risk

The Company's assets are deposited with the Depositary and identified in the Depositary's books as belonging to the respective Fund. Assets, except cash, are segregated from other assets of the Depositary which mitigates but does not prevent the risk of non-return in the event of bankruptcy of the Depositary. Cash deposits are not segregated in this way and therefore exposed to increased risk in the event of bankruptcy with the Company being a general creditor of the Depositary.

The Company's assets are also held by sub-custodians appointed by the Depositary in countries where the Funds invest and, notwithstanding compliance by the Depositary with its legal obligations, are therefore exposed to the risk of bankruptcy of those sub-custodians. Legal and regulatory protections covering the holding of assets in the jurisdiction of a sub-custodian may be weaker. A Fund may invest in markets where custodial or settlement systems are not fully developed, where assets are held by a sub-custodian subject to weaker legal and regulatory protections, and where there may be a risk that the sub-custodian may have no liability for the return of those assets.

Downgrading risk

The credit ratings given to securities may be subject to changes. The Company may continue to invest in securities that are downgraded after purchase. Funds that invest in securities which have been downgraded may suffer a decrease in the value of their assets.

Changes in Applicable Law

The Fund(s) must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which they operate. Should any of those laws change over the life of the Fund(s), the legal requirement to which the Fund(s) and its Shareholders may be subject could differ materially from current requirements. The Fund(s) may suffer a decrease in the value of their assets as a result of such changes.

MiFID II

The EU's second Markets in Financial Instruments Directive 2014/65/EU, laws and regulations introduced by Member States of the EU to implement MiFID II, and the EU's Markets in Financial Instruments Regulation 600/2014 ("**MiFIR**"), which came into force on 3

January 2018, will impose new regulatory obligations and costs on the Management Company, the Investment Advisers and the Sub-Investment Advisers. This may have a negative impact on the Management Company, the Investment Advisers, and the Sub-Investment Advisers, the Company and/or the Funds.

In particular, MiFID II and MiFIR will require certain standardised OTC derivatives to be executed on regulated trading venues. The overall impact of MiFID II and MiFIR on the Company is highly uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory regimes.

In addition, MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments such as depositary receipts, ETFs and certificates that are traded on regulated trading venues as well as to cover non-equities such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of “dark pools” and other trading venues, will mean a wealth of new information relating to price discovery becoming available. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

Eurozone Breakup / Failure of Euro

Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Eurozone by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Company’s investments as well as on the ability of the Company’s counterparties to fulfill their obligations. In addition, countries may impose capital control which could impact the Company’s ability to repatriate proceeds. Legal uncertainty may render hedging arrangements ineffectual.

Neither the Company nor the Investment Adviser are under an obligation to provide a protection (including, without limitation, hedging) of any sort against currency events, or to protect any of the Funds against the consequences of a currency event, such as a breakup of the Eurozone. In case such a currency event occurs, the Board of Directors may decide in its absolute discretion to re-denominate any of the Funds or Classes into another currency.

Foreign Account Tax Compliance

The Foreign Account Tax Compliance provisions of the 2010 Hiring Incentives to Restore Employment Act (“**HIRE**”) generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends (“**Withholdable Payments**”). As a general matter, the new rules are designed to require U.S. persons’ direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the Internal Revenue Service (“**IRS**”). The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

On 28 March 2014, Luxembourg signed a Model 1 Intergovernmental Agreement with the U.S. As a result, no withholding tax should be applied to payments received by the Company. The Company will instead be required, in certain circumstances to provide information to the Luxembourg authorities about the identity of investors and any amounts paid to investors. The Luxembourg authorities will in turn share the information with the U.S. authorities. This information sharing may in future be expanded to cover other jurisdictions.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the investor may suffer material losses.

As described in “*Subscription, Transfer, Exchange and Redemption of Shares*” the Board of Directors has resolved to prevent the ownership of Shares by any U.S. Person (as defined pursuant to Regulation S under the U.S. Securities Act of 1933, as amended). The Board of Directors has therefore also resolved to prevent the ownership of Shares by any 'specified United States person' as defined within HIRE.

Each prospective investor should consult its own tax advisers regarding the requirements under HIRE with respect to its own situation.

LUXEMBOURG ANTI-MONEY LAUNDERING REGULATIONS

In an effort to deter money laundering, the Company, the Management Company, the Investment Adviser, the Distributor, the Administrator and the sub-distributor(s) must comply with all applicable laws and regulations regarding the prevention of money laundering. In particular, the Administrator must comply with the amended Luxembourg law dated 12 November 2004 on the fight against money laundering and terrorism financing. To that end, the Company, the Management Company, the Investment Adviser, the Distributor the Administrator and the sub-distributor(s) may request information necessary to establish the identity of a potential investor and the origin of subscription proceeds. Failure to provide documentation may result in a delay or rejection by the Management Company of any subscription or exchange or a delay in payout of redemption of Shares by such investor.

SUBSCRIPTION, TRANSFER, EXCHANGE AND REDEMPTION OF SHARES

Share Characteristics

Available Classes

Each Fund issues Shares in one or several separate Classes of Shares, as set out in each “*Fund Particulars*”. Such Classes of Shares may differ with respect to the type of investors for which they are designed, their Base Currency, their fee structure and other characteristics as the Company may decide.

The Company may, in its discretion, decide to amend the characteristics of, or rename any Class of Shares as it may deem appropriate, subject to any applicable notification to Shareholders.

Shareholder Rights

All Shareholders have the same rights, regardless of the Class of Shares held. Each Share is entitled to one vote at any general meeting of Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

Reference Currency/Base Currency

The Reference Currency of the Company is US Dollar. The Base Currency of each Fund of each Class of Shares is as set out in each “*Fund Particulars*”.

Dividend Policy

The dividend arrangements relating to each Class will be decided by the Company at the time of the creation of the relevant Class and details are set out where applicable in “*Fund Particulars*”.

Under the Articles, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends earned by the relevant Fund) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

However, in any event, no distribution may be made if, as a result, the total Net Asset Value of the Company would fall below the equivalent of EUR 1,250,000.-.

Dividends are accrued daily, and paid monthly.

Distributing Shares shall begin accruing dividends on the Settlement Date provided that payment for the Shares is received by the Administrator by the relevant Settlement Date.

Upon redemption of Shares, all dividends will accrue up to, and including, the Business Day prior to the Dealing Day when the application for redemption is accepted. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, as detailed under "*Determination of the Net Asset Value*" below, all dividends will accrue up to, and including, the Dealing Day when the application for redemption is accepted. In such a case, the Settlement Date will be extended to the first Business Day following the Dealing Day.

Dividends not claimed within five (5) years of their due date will lapse and revert to the relevant Shares of the relevant Class in the relevant Fund.

No interest shall be paid on a distribution declared by the Company where such distribution is kept by the Company at the disposal of its beneficiary.

Listed Classes

The Management Company may, in its sole discretion, elect to list any Classes of Shares on any stock exchange, including the Luxembourg Stock Exchange.

Fractional Shares

The Company issues whole and fractional Shares up to one-hundredth of a Share. Fractional entitlements to Shares do not carry voting rights but do grant rights of participation on a pro-rated basis in net results and liquidation proceeds attributable to the relevant Fund.

Application for Shares

General provisions

Initial applications for Shares must be made on the Company's Application Form and must be forwarded to the Administrator in Luxembourg, or to the Distributor or other entity as indicated on the Application Form, before the Dealing Deadline. Subsequent applications may be made in writing or by fax.

Initial applications for Shares may be made by electronic or other means provided that a duly completed Application Form is received. Subsequent applications may also be made by electronic or other means (including by telephone if so elected by a Shareholder) provided in each case that all applicable anti-money laundering checks are complete.

Joint applicants must each sign the Application Form unless an acceptable power of attorney or other written authority is provided.

Applications for Shares in any of the Classes, except the Institutional (+1) Accumulation Share Class, received by the Administrator on any Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day unless otherwise requested by an investor, based on the Net Asset Value per Share calculated on the previous Business Day. For the Institutional (+1) Accumulation Share Class, applications received by the Administrator on any Dealing Day

before the relevant Dealing Deadline will be processed on that Dealing Day unless otherwise requested by an investor, based on the Net Asset Value per Share calculated on that Business Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, as detailed under "*Determination of the Net Asset Value*" below, applications for Shares received by the Administrator on such a Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day unless otherwise requested by an investor based on the Net Asset Value per Share calculated on that Dealing Day.

Any applications received by the Administrator after the Dealing Deadline on the relevant Dealing Day may at the discretion of the Management Company, provided that equal treatment of Shareholders is ensured, either be processed on that Dealing Day or processed on the next Dealing Day based on the Net Asset Value per Share applicable to the next Dealing Day. The Management Company may not be able to exercise the discretion in all circumstances, for example where applications for Shares are made via dealing platforms or other electronic means. In such cases, applications received after the Dealing Deadline may be rejected. Investors making applications via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

Different procedures and time limits (which may be earlier than those set out in this Prospectus) may apply if applications for Shares are made through a sub-distributor. Applicants should note that they may be unable to purchase Shares through a sub-distributor on days that such sub-distributor is not open for business.

Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant Class. The Net Asset Value per Share of each Class will be published in its respective Base Currency.

Subscription for Shares may be subject to a Preliminary Charge.

Shares will be issued in registered form and the share register is conclusive evidence of ownership.

Minimum Subscription and Minimum Holding

Details of the Minimum Initial Subscription and Minimum Holding for each Fund and any charges are set out in "*Fund Particulars*".

The Management Company may (i) waive Minimum Holding requirements and accept a subscription request that would cause the investor's holding in any Fund to be below the Minimum Holding and/or (ii) waive the Minimum Initial Subscription requirements and accept subscriptions in any Fund in an amount less than the Minimum Initial Subscription amount, provided that equal treatment of Shareholders is ensured.

Contract notes providing details of the trade will normally be issued within three (3) Business Days of the relevant Dealing Day. No share certificates will be issued. Statements will be issued to each Shareholder on a monthly basis confirming ownership, that the Shareholder is

entered on the Company's share register and the number of Shares which he/she is credited with in the share register in respect of each Fund. Contract notes and statements will be sent to applicants by ordinary post or by fax, electronic or other means. It is recommended that applicants check contract notes on receipt as processed transactions will only be changed at the discretion of the Management Company and if the Management Company deems it is appropriate, at the cost of the applicant.

Applicants are allocated a Shareholder number on acceptance of their application and this together with the Shareholder's details on the Company's share register are proof of title. This Shareholder number should be used for all future dealings by the Shareholder with the Management Company or the Administrator.

Any changes to the Shareholder's details or loss of the Shareholder number must be notified immediately to the Administrator in writing. Failure to do so may result in a delay upon redemption. The Management Company on behalf of the Company reserves the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before accepting such instructions.

If any application is not accepted in whole or in part, the application monies or the balance of such monies will be returned to the applicant by post or bank transfer at the applicant's risk and costs.

Restrictions in relation to Subscriptions for Shares

The Management Company reserves the right to reject, in whole or in part, any application for Shares.

The Management Company may further restrict or prevent the ownership of Shares by any person, firm or corporate body identified by the Management Company in its discretion, if in the opinion of the Management Company such holding may be detrimental to the Company, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Company may suffer any tax disadvantages or other financial disadvantages that it would not have otherwise suffered (the “**Prohibited Persons**”). In particular, the Directors have resolved to prevent the ownership of Shares by any U.S. Person.

The Directors retain the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Directors also reserve the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

If the Management Company determines that it would be detrimental to the existing Shareholders if the Management Company accepts a cash application for Shares of any Fund which, either alone or when aggregated with other applications so received in respect of any Dealing Day, represents more than 10% of the Net Asset Value of such Fund, the Management Company may decide that all or part of the application for Shares in excess of 10% be deferred until the next Dealing Day. If the Management Company decides to defer all or part of the application in excess of 10% in this manner the applicant shall be informed prior to the deferral taking place.

Furthermore, the Management Company reserves the right at any time, without notice, to discontinue the issue and sale of Shares of any Fund of the Company.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended pursuant to the Articles.

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension will be rejected.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, activities which may adversely affect the interests of the Company's Shareholders (for example, activities that disrupt the Funds' investment strategies or impact expenses for the Company) are not permitted. The Management Company may, in its discretion, if it deems such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

Payment Procedure

Applicants for any Shares must make payment in the relevant Base Currency. Unless prior arrangements have been made, applicants must make payment in cleared funds to be received by the Settlement Date for the relevant Dealing Day in order to receive the Net Asset Value per Share applicable to that day.

If timely settlement is not made (or a completed Application Form is not received for an initial subscription), at the discretion of the Management Company (a) the relevant allotment of Shares may be cancelled and the applicant may be required to compensate the Company for any resulting cost or expense or (b) the Management Company may charge the applicant interest at a reasonable rate or (c) the applicant may be required to compensate the Company for any loss suffered by it and such compensation may be, for example, deducted from dividends payable to the applicant in relation to the Shares allotted to him. If payment is received in respect of any application after the Settlement Date, the Management Company may at its discretion consider the application as being an application for the number of Shares which can be purchased or subscribed with such payment on the next Dealing Day.

The Management Company may at its discretion issue Shares in consideration for a contribution in kind of securities, provided such contribution is in compliance with the investment policies and restrictions of the relevant Fund and in compliance with any conditions set forth by Luxembourg law. The transaction costs incurred in connection with the acceptance by the Management Company of an in kind subscription will be borne directly by the incoming Shareholder. The investments forming the in kind subscription will be valued in accordance with the valuation rules described below and the requirements of Luxembourg law (including the valuation of assets by the auditors of the Company). The value so determined, together with the Net Asset Value calculated for the Shares concerned in the relevant Fund, will determine the number of Shares to be issued to the incoming Shareholder. The purpose of the foregoing policy is to ensure that the existing Shareholders in a Fund do not bear the transaction costs of acquiring additional assets for an incoming Shareholder.

Key Investor Information Document

The Distributor or any appointed sub-distributors must provide to the applying investor, the current Key Investor Information Document in good time before the investor's proposed investment.

Transfer of Shares

A Shareholder may transfer Shares to one or more other persons, provided that all Shares have been paid in full with cleared funds and each transferee meets the qualifications of an investor in the relevant Class of Shares.

In order to transfer Shares, the Shareholder must notify the Administrator of the proposed date and the number of Shares transferred. The Administrator will only recognise a transfer with a future date. In addition, each transferee must complete an Application Form before its request be accepted.

The Shareholder should send its notice and each completed Application Form to the Administrator.

The Administrator may request a transferee to provide additional information to substantiate any representation made by the transferee in its application. Any application that has not been completed to the satisfaction of the Administrator will be rejected.

The Administrator will not effectuate any transfer until it is satisfied with the form of notice and has accepted each transferee's subscription application.

Any Shareholder transferring Shares and each transferee, jointly and severally, agree to hold the Company and each of its directors, employees and agents harmless with respect to any loss suffered by any one or more of them in connection with the transfer.

Redemption of Shares

General Provisions

Shareholders wishing to have all or some of their Shares redeemed by the Company may make an application for redemption by electronic or other means to the Administrator, provided that (i) in the case of redemption requests by fax, telephone or by electronic means, payment shall be made to the account on record (any changes to the account on record may only be made upon receipt of original written instructions) and (ii) in the case of redemption requests by telephone, an original Redemption Form has been received and the Shareholder has requested this facility.

Applications must include details of the name of the Fund, Class of Shares, the number of Shares or the amount the Shareholder wishes to be redeemed, the Shareholder's details, the Shareholder's account number and any other information required by the Redemption Form. Failure to provide any of this information may result in delay of the application for redemption whilst verification (which may be requested in writing) is sought from the Shareholder.

Applications for redemption will be considered binding and irrevocable by the Management Company. Written confirmation may be required by the Management Company and must be duly signed by all registered holders, unless in the case of joint registered holders, each such holder has sole signing authority.

Application for redemption of Shares in any of the Classes, except the Institutional (+1) Accumulation Share Class, received by the Administrator on any Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day unless otherwise requested by an investor based on the Net Asset Value per Share calculated on the previous Business Day. For the Institutional (+1) Accumulation Share Class, applications received by the Administrator on any Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day unless otherwise requested by an investor based on the Net Asset Value per Share calculated on that Business Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, as detailed under “*Determination of the Net Asset Value*” below, applications for redemption of Shares received by the Administrator on such a Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day unless otherwise requested by an investor, based on the Net Asset Value per Share calculated on that Dealing Day.

Applications received after the relevant Dealing Deadline on the relevant Dealing Day may at the discretion of the Management Company, and provided that equal treatment of Shareholders is ensured, either be processed on that Dealing Day or processed on the next Dealing Day based on the Net Asset Value per Share applicable to the next Dealing Day. The Management Company may not be able to exercise this discretion in all circumstances, for example where applications for Shares are made via dealing platforms or other electronic means. In such cases, applications received after the Dealing Deadline may be rejected. Shareholders making applications for redemption via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements. Different procedures and time limits (which may be earlier than those set out in this Prospectus) may apply if applications for Share redemptions are made through a sub-distributor. Applicants should note that they may be unable to redeem Shares through a sub-distributor on days that such sub-distributor is not open for business.

The applicant will be notified of the redemption proceeds as soon as reasonably practicable after determination of the Net Asset Value. Shareholders are reminded that the redemption proceeds can be higher or lower than the initial subscription amount.

Generally payment for redeemed Shares will be effected on the same Business Day or the following Business Day that the day on which the redemption request is received depending on the type of Shares redeemed. Such redemption proceeds will be paid in the relevant Base Currency. The details in relation to Settlement Dates are fully disclosed under “*Fund*”

Particulars". In the interests of the remaining Shareholders, the Management Company reserves the right to delay payment for up to ten (10) Business Days after the relevant Dealing Day, if market conditions are unfavourable, or if same day payment is impractical or could have an adverse impact on the relevant Fund. Using the US Dollar Liquidity Fund as an example, on any day that the Bond Market Association in the United States recommends that the bond markets close early, payments may be postponed with respect to redemption applications received subsequent to the recommended closing time.

In the event that a shareholder makes an application to redeem unsettled shares, the Management Company may exercise its powers to amend outstanding subscription and redemption requests, where appropriate, in order to facilitate the net effect of the requested transactions and avoid any shortfall at the level of the Fund.

If any application for redemption is received in respect of any one Dealing Day (the "**First Dealing Day**") which either singly or when aggregated with other applications so received, is in respect of more than 10% of the Net Asset Value of any one Fund, the Directors reserve the right in their sole and absolute discretion (and in the interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Dealing Day so that not more than 10% of the Net Asset Value of the relevant Fund shall be redeemed on such First Dealing Day. To the extent that any application is not given full effect on such First Dealing Day by virtue of the exercise of the power to pro-rate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days, until such application shall have been satisfied in full (the "**Deferred Application**"). With respect to any Deferred Application, to the extent that subsequent applications shall be received in respect of following Dealing Days, such Deferred Application shall be satisfied in priority to the satisfaction of applications relating to following Dealing Days, but subject thereto, applications relating to following Dealing Days shall be dealt with as set out in the preceding sentence.

Alternatively the Management Company in its sole and absolute discretion may request such Shareholder to accept a payment in whole or in part by way of an in-kind distribution of securities of the relevant Fund in lieu of cash, provided that such in-kind distribution may only be made with the consent of such Shareholder and in compliance with any conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Auditor of the Company (*réviseur d'entreprises agréé*) which shall be available for inspection. In the event that the Shareholder does not agree to in-kind distribution (in whole or in part) and requests the Management Company to sell the assets, then the Management Company must do so (subject to that Shareholder being charged such costs incurred by the Company in relation to the sale of such assets). Shareholders who receive securities in lieu of cash upon redemption should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the redeeming Shareholder of the securities may be more or less than the redemption price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, activities which may adversely affect the interests of the Company's Shareholders (for example, activities that disrupt the Funds' investment strategies or impact

expenses for the Company) are not permitted. The Management Company may, in their discretion, if it deems such activities adversely affect the interests of the Company's Shareholders, take any action as appropriate to deter such activities.

Limits on Redemption

Shareholders may ask for redemption of all or part of their Shares of any Class. However, the Management Company is not bound to comply with a request for redemption of Shares if such request relates to a part of a holding of Shares having a value of less than US\$10,000 (or the equivalent in the Base Currency of the relevant Fund). In addition, a request for redemption of Shares will be treated as a request for the redemption of a Shareholder's entire holding if after redemption the holder would be left with a balance of Shares having a value of less than the Minimum Holding for that Class.

In addition, the Management Company may redeem all of a Shareholder's Shares if it appears on a given Dealing Day that the number of Shares held by such Shareholder has fallen below the Minimum Holding for the relevant Class of Shares.

Temporary Suspension of Redemption

The right of any Shareholder to require redemption of the Shares of any Class will be suspended during any period when the calculation of the Net Asset Value per Share of the relevant Class is suspended by the Directors pursuant to the powers set out under section "Temporary Suspension of Calculation of Net Asset Value". Notice of such suspension period will be given to any Shareholder tendering Shares for redemption. The Shares in question will be redeemed on the first Dealing Day following the end of the suspension period.

If a period of suspension lasts for more than one (1) calendar month after the date of an application for redemption, the application may be cancelled by the Shareholder by notice in writing to the Management Company or the Administrator provided that the notice is received by the Management Company or the Administrator prior to the relevant Dealing Deadline on the last Business Day of the suspension period.

Compulsory Redemption

The Management Company may immediately redeem some or all of a Shareholder's Shares if it believes that:

- the Shareholder has made any misrepresentation as to his or her qualifications to be a Shareholder;
- the Shareholder's continued presence as a Shareholder of the Company would cause harm to the Company or the interests of other Shareholders of the Company;
- the Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation, whether Luxembourg or foreign, by the Company; or

- if it shall come to the attention of the Company or the Management Company that Shares are beneficially owned by or on behalf of a Prohibited Person.

In addition, the Board of Directors has delegated to the Management Company the power at any time to compulsorily redeem equally such number of Shares held by each Shareholder in the relevant Share Class in a Fund as required to satisfy any fees (including fees payable to the Investment Adviser), costs or expenses owed or payable by any Shareholder of that Share Class with the proceeds of such redemption being retained by the relevant Fund, in particular to cover any declared shortfall of a Share Class in a Fund using the amortised cost valuation method, as further detailed under "*Determination of the Net Asset Value*" below.

The Board of Directors may decide to terminate a Fund or a Class following the procedure detailed under "*Dissolution and Liquidation of the Company, any Fund or any Class of Share*" if it appears on a given Dealing Day that the Net Asset Value of such Fund or Class has decreased to an amount below US\$25,000,000 (or the equivalent in the Base Currency of the relevant Fund).

Exchange of Shares

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class of a Fund (the "**Original Class**") for Shares of the same Class in a different Fund which is being offered at that time (the "**New Class**") by giving notice to the Administrator on behalf of the Management Company on or prior to the Dealing Deadline for the relevant Valuation Point, provided that equal treatment of Shareholders is ensured and provided further that all the criteria for applying for Shares in the New Class have been met. The Management Company may however, in its sole discretion, agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The Management Company may not be able to exercise this discretion in all circumstances, for example where requests for exchange of Shares are made via dealing platforms or other electronic means. In such cases, requests for exchange received after the Dealing Deadline may be rejected. Shareholders making requests for exchange via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

The general provisions and procedures relating to redemptions will apply equally to exchanges. All exchanges will be treated as redemption of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and redemption prices of Shares in each Fund. The Articles allow for an exchange fee of up to 3% of the total redemption price of the Shares of the Original Class redeemed to be charged, and the Management Company, in its sole discretion, reserves the right to impose such fee within this limit as shall be set out in "*Fund Particulars*" in respect of each Fund.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$A = (B \times C \times D) / E$$

where:

- A is the number of Shares to be allocated in the New Class;
- B is the number of Shares of the Original Class to be converted;
- C is the Net Asset Value per Share of the Original Class on the relevant Valuation Day;
- D is the actual rate of exchange on the day concerned in respect of the Base Currency of the Fund of the original Class and the Base Currency of the Fund of the New Class;
- E is the Net Asset Value per Share of the New Class on the relevant Valuation Day.

Shares may not be exchanged for Shares in a different Fund during any period when the calculation of the Net Asset Value of either of the relevant Funds is suspended in the manner described under “*Temporary Suspension of Calculation of Net Asset Value*” below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to or exceeds the Minimum Initial Subscription for the relevant New Class specified in “*Fund Particulars*” for the Fund in question. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

DETERMINATION OF THE NET ASSET VALUE

Day of Calculation

The Management Company calculates the Net Asset Value of each Class of Shares on the Valuation Point for each Business Day.

Method of Calculation

Where applicable, the Net Asset Value per Share of each Class in a Fund is calculated by determining that portion of the Net Asset Value of the Fund which is attributable to the relevant Class and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point and rounding the resulting amount to two decimal places for Distributing Shares. In relation to the Accumulation Shares of the relevant Fund the result is rounded to six decimal places. This is to ensure that the calculation of the Net Asset Value per Share of each of the Distributing and Accumulation Share Classes is done in such a manner as to treat Distributing and Accumulation Class Shareholders more consistently. If a Fund has more than one Class of Shares, additional fees may be charged against certain Classes, and details of such fees will be set forth under “*Funds Particulars*” for the relevant Fund. This may result in the Net Asset Value per Share of each Class being different. The Valuation Point for each Fund is set out under “*Funds Particulars*”.

The Management Company may, in calculating the issue price, include in the issue price in respect of any Class, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares of that Class. The Management Company may also add a charge in respect of fiscal and purchase charges. Applicants may also be charged a Preliminary Charge as specified for each Fund in “*Fund Particulars*”.

Realised gains and losses attributable to each Fund may be spread over a period of time, in accordance with procedures approved by the Board of Directors from time to time.

The Management Company may, in calculating the redemption price, deduct from the Net Asset Value per Share a charge in respect of fiscal and sales charges in respect of Shares in that Class. Applicants may also be charged a redemption charge as specified for each Fund under “*Funds Particulars*”. The Management Company may, in calculating the redemption price, deduct such sum as the Board of Directors considers fair in respect of redemption requests which necessitate the need for borrowing, the breaking of deposits at a penalty or the realisation of investments at a discount.

The Articles provide for the method of valuation of the assets and liabilities of each Fund.

In particular, the Articles provide that the Company's investments may be valued at the amortised cost, whereby investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value, where practice allows.

The Management Company is entitled to use the amortised cost method of valuation to determine the value of Money Market Instruments which (a) have a maturity at issuance of up

to and including 397 days, (b) have a residual maturity of up to and including 397 days, (c) undergo regular yield adjustments in line with money market conditions at least every 397 days, or (d) risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points (a) or (b), or are subject to a yield adjustment as referred to in point (c) above .

The Management Company will generally use the amortised cost method of valuation to determine the value of the following investments, provided that such investments comply with the above conditions: (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 Management Company 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 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 Management Company intends to use 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 will be used.

The Administrator shall at least weekly determine 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 shall be 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 shall be brought to the attention of the Board of Directors, the Management Company and the Depositary. If this deviation exceeds 0.25% of the Net Asset Value of the relevant Fund, the Administrator will review the valuation daily and the Management Company shall take 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 Management Company shall utilise 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.

The Distributing Shares in each Fund that uses the amortised cost method of valuation seek to maintain a stable Net Asset Value per Share at one unit of the relevant Base Currency by using the amortised cost method of valuation and by declaring dividends on a daily or less frequent basis. The Accumulation Shares in each Fund that uses the amortized cost method of valuation retain any net income and/or capital gains attributable to such Shares, which cause their value to change.

Due to the potential for substantial adverse movement in interest rates, there can be no assurance that the Distributing Shares, by following these procedures, will be successful in maintaining a stable Net Asset Value per relevant Share. Where specifically provided for in the relevant “*Fund Particulars*”, the Management Company shall be entitled to take the following actions in seeking to maintain a stable Net Asset Value per Share:

- (i) reduce or suspend the declaration or payment of dividends, make no declaration of dividend or declare the shortfall per Share on a daily or less frequent basis in respect of the relevant Fund or Share Class. Such shortfall, on a daily or less frequent basis, shall be such amount as shall be necessary to maintain a stable Net Asset Value per Share taking into account low interest rates, Duties and Charges, interest charges, premiums and the agreed fees of the relevant service providers. The shortfall per relevant Share shall be a debt due by the holder of that Share to the Company to be satisfied through (ii) below; and
- (ii) if required, to give effect to (i) above, compulsorily redeem, on a daily or less frequent basis, equally such number of Shares held by each Shareholder in the relevant Share Class required to cover the declared shortfall of that Share Class, with the proceeds of each such redemption being retained by the relevant Fund.

The Management Company will only apply the powers set out in (i) and (ii) above if they are specifically provided for in the “*Fund Particulars*” of the relevant Fund.

In the event that the amortised cost method of valuation is deemed by the Management Company not to be the appropriate method of calculating the value of any investments listed or dealt in on a market then the value of such investment shall be the last known market price on the relevant market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one market the Management Company shall select the market which constitutes the main market for such investment or which they determine provides the fairest criteria in a value for the security.

In the event that the amortised cost method of valuation is deemed by the Management Company not to be the appropriate method of calculating the value of any investment which is not listed or dealt in on a market or of any investment which is normally listed or dealt in on a market but in respect of which the last known market price is not in the opinion of the Management Company representative of fair market value, the value of such investment shall be the probable realisation value thereof estimated with care and in good faith by the Management Company.

Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.

The value of any prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value thereof unless in any case the Management Company is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof as at any Valuation Point.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Management Company may consider appropriate to reflect the true current value thereof as at any Valuation Point.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall be valued at the closing price, or if unavailable, the last known market price for such certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments.

Forward foreign exchange contracts shall be valued by reference to the price as at the Valuations Point at which a new forward contract of the same size and maturity could be undertaken or if unavailable in accordance with the provisions for off-exchange derivatives contracts below.

The value of any exchange traded futures contracts, share price index futures contracts, options and other quoted derivatives shall be based on the settlement price as determined by the market in question as at the Valuation Point. Where the settlement price is not available the value of such contract shall be its probable realisation value which must be estimated with care and in good faith by a competent person appointed by the Board of Directors.

The value of any off-exchange derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily.

The valuation of units or shares or other similar participations in any collective investment scheme which provides for the units or shares or other similar participations therein to be repurchased at the option of the holder out of the assets of that undertaking shall be the last available net asset value per unit or share or other relevant participation as at the relevant Valuation Point or, if bid and offer prices are published, at the last bid price.

If in any case a particular value is not ascertainable as provided above, the method of valuation of the relevant investment shall be such as the Board of Directors shall decide.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Administrator shall determine to be appropriate in the circumstances.

Notwithstanding the generality of the foregoing, the Management Company may adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they may deem relevant (such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity) they consider that such adjustment is required to reflect the fair value thereof.

TEMPORARY SUSPENSION OF CALCULATION OF THE NET ASSET VALUE

The Company may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the right of Shareholders to require subscription or the redemption or exchange of Shares of any Class during:

- (i) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board of Directors, disposal or valuation of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Board of Directors, the Net Asset Value of the Fund cannot fairly be calculated;
- (iii) any breakdown in the means of communication normally employed in determining the price of any of the relevant Fund's investments and other assets or when for any other reason the current prices on any market or stock exchange of any assets of the relevant Fund cannot be promptly and accurately ascertained;
- (iv) any period during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of Shares of any Class in the relevant Fund or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal prices or normal rates of exchange;
- (v) during any period where in the opinion of the Board of Directors such suspension is justified having regard to the interests of the Company;
- (vi) following the circulation to the relevant Shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Company, terminate or merge the relevant Fund is to be considered; or
- (vii) following a decision to merge, liquidate or dissolve the Company or any of its Funds or upon the order of the Luxembourg Regulatory Authority.

The Company will, whenever possible, take reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested the issue or redemption of Shares of any Class or exchange of Shares of one Fund for another will be notified of any such suspension in such manner as may be directed by the Board of Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately and in any event within the same business day, to the Luxembourg Regulatory Authority.

When exceptional circumstances might adversely affect Shareholders' interests or in the case that significant requests for subscription, redemption or exchange are received, the Board of Directors reserves the right to set the value of Shares in one or more Funds only after having sold the necessary securities, as soon as possible, on behalf of the Fund(s) concerned. In this case, subscriptions, redemptions and exchanges that are simultaneously in the process of

execution will be treated on the basis of a single Net Asset Value per Share in order to ensure that all Shareholders having presented requests for subscription, redemption or exchange are treated equally.

TAXATION

Taxation of the Company

Subscription tax

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 (but see 'Withholding Tax' below). However, the Company is liable in Luxembourg to a subscription tax ('*taxe d'abonnement*') of 0.05% 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.

A reduced tax rate of 0.01% per annum of the net assets will be applicable to Classes which are only sold to and held by Institutional Investors. In addition, those Funds which invest exclusively in deposits and money market instruments in accordance with the Law are liable to the same reduced tax rate of 0.01% per annum of their net assets.

The 0.01% and 0.05% rates described above, as appropriate, are not applicable for the portion of the assets of the Company invested in other Luxembourg collective investment undertakings which are themselves subject to the subscription tax.

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 to 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 ninety (90) days, and (iv) the Fund must benefit from the highest possible rating of a recognized rating agency.

It is anticipated that the following Classes of Shares will be exempted from subscription tax: Institutional Shares, Institutional Accumulation Shares, Institutional Select Shares, Institutional (+1) Accumulation Shares, Administrative Accumulation Shares, Advisory Shares, Advisory Accumulation Shares, MS Reserve Shares and MS Reserve Accumulation Shares. It is anticipated that a reduced subscription tax rate of 0.01% shall apply to Master Shares, Master Accumulation Shares, Qualified Shares, Qualified Accumulation Shares, Advantage Shares, Advantage Accumulation Shares.

However, there can be no guarantee that the benefit of such reduced rate will be obtained or that, once obtained, it will continue to be available in the future.

Subscription tax is payable quarterly and is calculated by reference to the net assets of the relevant Fund or Share Class at the end of the quarter to which the tax relates.

Organisation for Economic Cooperation and Development Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) Shareholders that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the “**CRS Information**”).

The Company’s ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process such CRS Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Company.

For the purposes of this section, “Controlling Person” means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Shareholders are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any personal data not be accurate. The Shareholders further undertake to immediately inform the Company of and provide the Company with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any Shareholder that fails to comply with the Company’s CRS Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such Shareholder’s failure to provide the Information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities.

Foreign Account Tax Compliance (“FATCA”)

The Foreign Account Tax Compliance provisions of the 2010 Hiring Incentives to Restore Employment Act (“HIRE”) generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or

dividends (“**Withholdable Payments**”). As a general matter, the new rules are designed to require U.S. persons’ direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the Internal Revenue Service (“**IRS**”). The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

On 28 March 2014, Luxembourg signed a Model 1 Intergovernmental Agreement with the U.S. As a result, no withholding tax should be applied to payments received by the Company. The Company will instead be required, in certain circumstances, to provide information to the Luxembourg authorities about the identity of investors and any amounts paid to investors. The Luxembourg authorities will in turn share the information with the U.S. authorities. This information sharing may in the future be expanded to cover other jurisdictions. The application of the recently enacted U.S. withholding tax and reporting regime is unclear and could be subject to further clarification from the U.S. Treasury Department, the IRS and/or the Luxembourg tax authorities. Accordingly the Company will reassess its position in relation thereto from time to time.

Investors who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the investor may suffer material losses.

Income tax

Under current law and practice, the Company is not liable to any Luxembourg income tax.

Value added tax

The Company is considered in Luxembourg as a taxable person for value added tax (“**VAT**”) purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg to self-assess the VAT as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments made by the Company to its Shareholders, as such payments are linked to their subscription for the Company’s Shares and do therefore not constitute consideration received for taxable services supplied.

Other taxes

No stamp or other tax is generally payable in Luxembourg in connection with the issue of Shares against cash by the Company.

Any amendment to the Articles of the Company is generally subject to a fixed registration duty of seventy five Euro (EUR 75.-).

Taxation of the Shareholders

Luxembourg tax residency of the Shareholders

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the Shares or the execution, performance or enforcement of his/her rights as Shareholder.

Income tax

A Luxembourg resident Shareholder is not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the Company.

i. Luxembourg resident individuals

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realised upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the Share capital of the Company whose Shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realised on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

ii. *Luxembourg resident companies*

A Luxembourg resident company (*société de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

iii. *Luxembourg residents benefiting from a special tax regime*

Shareholders which are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the Law, (ii) specialised investment funds subject to the amended Law of 13 February 2007 and (iii) family wealth management companies governed by the law of 11 May 2007, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

Luxembourg non-resident Shareholders

A non-resident, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares.

A non-resident company which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to an individual, acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Net wealth tax

A Luxembourg resident, or a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the Law, (iii) a securitisation company governed by the law of 22 March 2004 on securitisation, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialised investment funds governed by the amended law of 13 February 2007, or (vi) a family wealth management company governed by the law of 11 May 2007.

Other taxes

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notary deed or otherwise registered in Luxembourg.

MANAGEMENT OF THE COMPANY

The Board of Directors

Directors of the Company

Andrew Mack director UK, formerly CEO of Morgan Stanley Investment Management EMEA. Acted as a consultant to Morgan Stanley Investment Management until 31 December 2013

William Jones, independent director, Luxembourg

Michael Griffin, independent director, Dublin, Ireland

Henry Kelly, independent director, Luxembourg

Diane Hosie, Director, UK. Managing Director, Morgan Stanley Investment Management, Global Sales and Distribution

Susanne Van Dootingh, Independent Director, Belgium

Carine Feipel, Independent Director, Luxembourg

The Management Company⁶

⁶ With effect from 1 January 2019, MSIM Fund Management (Ireland) Limited will replace Morgan Stanley Investment Management (ACD) Limited as the Company's management company. The first two paragraphs under this heading will be replaced by the following text. The remainder of the disclosure in this section is equally applicable to MSIM Fund Management (Ireland) Limited and all references to "Management Company" shall, with effect from 1 January 2019, be deemed to be references to MSIM Fund Management (Ireland) Limited:

Pursuant to a Management Company Services agreement effective as from 1 January 2019 (the "**Management Company Services Agreement**"), MSIM Fund Management (Ireland) Limited, having its registered office at The Observatory, 7-11 Sir John Rogerson's Quay, Dublin 2, Ireland, has been appointed as Management Company of the Company with responsibility for providing collective portfolio management services (including investment management, administrative and marketing services), risk management and other administrative and operational services to the Company and each of the Funds, subject to the overall supervision and control of the Company. For its services, the Management Company receives an annual fee, payable monthly, as set forth herein under "*Charges and Expenses*".

MSIM Fund Management (Ireland) Limited is an indirect wholly owned subsidiary of Morgan Stanley. MSIM Fund Management (Ireland) Limited was incorporated as a company limited by shares under the laws of Ireland on 5 December 2017 under registered number 616661.

Pursuant to an agreement, Morgan Stanley Investment Management (ACD) Limited, of 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, has been appointed as designated management company with responsibility for providing collective portfolio management services (including investment management, administrative and marketing services), risk management and other administrative and operational services to the Company, subject to the overall supervision and control of the Company. For its services, the Management Company receives an annual fee, payable monthly, the details of which are set forth herein under “*Charges and Expenses*”.

Morgan Stanley Investment Management (ACD) Limited is an indirect wholly-owned subsidiary of Morgan Stanley. Morgan Stanley Investment Management (ACD) Limited was incorporated as a private limited company under the laws of England and Wales on 12 July 2001.

The agreement between the Company and the Management Company provides that it is to remain in force for an unlimited period and may be terminated at any time by either party upon three (3) months’ prior written notice to the end of a calendar month or unilaterally with immediate effect by written notice by either party if the other party commits a material breach that, if such breach is capable of remedy it fails to remedy within thirty (30) days or if required by laws, regulations or any competent regulator or if the other party becomes insolvent or similar circumstances.

The Management Company may delegate any of its collective portfolio management functions to any other party subject to approval by the Company but the Management Company’s liability to the Company for the performance of such functions shall not be affected by the delegation. Please refer to the sections below for further information regarding the delegation by the Management Company of the investment management, distribution and central administration and transfer agency functions.

The Management Company must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The Management Company's best execution policy sets out the basis upon which the Management Company, and the Investment Adviser on its behalf, will effect transactions and place orders in relation to the Funds whilst complying with the Management Company's obligations under the FCA Handbook⁷ to obtain the best possible result for the Company. The best execution policy sets out the systems and controls that have been put in place and the oversight carried out by the Investment Adviser to ensure that notwithstanding any delegation to the Sub-Investment Advisers they undertake transactions to achieve the best result for the relevant Funds.

The Management Company has a remuneration policy in place which seeks to ensure that the interests of the Company and the Shareholders are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the Management Company whose activities have an impact on the risk profile of the Company. The Management Company shall seek to ensure that such remuneration policies and practices will be consistent with sound and effective risk management and with UCITS Regulation. The Management Company shall also seek to ensure that such remuneration policies and practices shall not encourage risk taking which is inconsistent with the risk profile and constitutional documents of the Company.

The Management Company shall seek to ensure that the remuneration policy will, at all times, be consistent with the business strategy, objectives, values and interests of the Company and the Shareholders and that the remuneration policy will include measures that seek to ensure that all relevant conflicts of interest can be managed appropriately at all times.

In particular, the remuneration policy also complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- (i) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period; and
- (ii) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

⁷ With effect from 1 January 2019, MSIM Fund Management (Ireland) Limited will become the Company's Management Company and it will be regulated by the Central Bank of Ireland and subject to Irish rules. Accordingly the reference to "*whilst complying with their obligations under the FCA Handbook*" will be deleted.

Details regarding the remuneration to the Management Company and the Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee where such a committee exists, may be obtained free of charge during normal office hours at the registered office of the Company and is available on the following website www.morganstanley.com/liquidity or through the following direct link: http://www.morganstanley.com/im/publication/resources/remunerationpolicy_msim_en.pdf.

*Board of Directors of the Management Company*⁸:

Andrew Mack
Andrew Onslow
Ruairi O'Healai
Diane Hosie

The Board of Directors of the Management Company is responsible for the overall day-to-day management and administration of the Company, under the overall responsibility of the Board of Directors.

Investment Adviser / Sub-Investment Adviser(s)

Investment Adviser

The Management Company has appointed Morgan Stanley Investment Management Inc., as Investment Adviser of the Funds pursuant to an investment advisory agreement entered into between the Management Company, the Company and the Investment Adviser (the **Investment Advisory Agreement**). The Management Company may terminate the Investment Adviser's appointment immediately where it is in the best interest of Shareholders to do so.

The ultimate holding company of the Investment Adviser is Morgan Stanley. The Investment Adviser's principal offices are at 522 Fifth Avenue, New York, New York, 10036, USA.

The Investment Adviser is regulated by the US Securities and Exchange Commission.

The Investment Adviser may on a discretionary basis acquire and dispose of securities of the Funds for which it has been appointed by the Management Company, subject to and in accordance with instructions received from the Management Company or the Fund from time to time, and in accordance with stated investment objectives and restrictions.

⁸ With effect as from 1 January 2019, the members of the board of directors of MSIM Fund Management (Ireland) Limited are: Andrew Mack, Eimear Cowhey, Liam Manahan, Elaine Keenan and Diane Hosie.

The fees and costs of the Investment Adviser for the above functions will be borne by the Management Company unless the Management Company instructs the Company to pay such fees and costs to the Investment Adviser as may be agreed between the Management Company and the Company from time to time. Such fees may include a performance fee if so set out in “*Fund Particulars*” in respect of any Fund.

Sub-Investment Advisers

Morgan Stanley & Co International plc, a public limited company incorporated in England and Wales under the Companies Act 1985 on 28 October 1986 has been appointed as a Sub-Investment Adviser for some Funds (as set forth under “*Fund Particulars*”) pursuant to a sub-investment advisory agreement (the “**Sub-Investment Advisory Agreement**”).

Morgan Stanley & Co International plc is regulated by the UK *Financial Conduct Authority*. The ultimate holding company of the Sub-Investment Adviser is Morgan Stanley. The Sub-Investment Adviser’s registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA.

Research

Any third party equity research received in connection with investment management and investment advisory services that the Investment Adviser provides to the Funds (other than research that qualifies as a minor non-monetary benefit) will be paid for by the Investment Adviser out of its own resources. To the extent the Investment Adviser receives third party research other than equity research, it will implement systems and controls to ensure that the receipt of such research does not influence order routing and best execution decisions or give rise to conflicts of interest that risk detriment to the relevant Fund(s) and their investors.

Any third party research received in connection with investment management and investment advisory services that the Sub-Investment Adviser provides to the Funds (other than research that qualifies as a minor non-monetary benefit) will be paid for by the Sub-Investment Adviser out of its own resources.

Depository

The Company has appointed The Bank of New York Mellon (International), Luxembourg Branch as the depository of all of the Company’s assets, including its cash and securities, which will be held either directly or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depository or clearing systems.

The Bank of New York Mellon (International) Limited, Luxembourg Branch, incorporated under the laws of Luxembourg in the form of a *société à responsabilité limitée* on 1996, presently exists for an unlimited period of time. Its registered office is at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand-Duchy of Luxembourg.

The rights and duties of the Depositary are governed by the depositary agreement entered into on 7 March 2016 between the parties for an unlimited period of time from the date of its signature (the “**Depositary Agreement**”)⁹.

In performing its obligations under the Depositary Agreement, the Depositary shall observe and comply with (i) Luxembourg laws, (ii) the Depositary Agreement and (iii) the terms of this Prospectus. Furthermore, in carrying out its role as depositary bank, the Depositary must act independently from the Company and the Management Company and solely in the interest of the Company and of its Shareholders.

The Depositary will further, in accordance with the Law:

- (a) ensure that the sale, issue, conversion, repurchase and cancellation of Shares effected on behalf of the Company or by the Company are carried out in accordance with the Law and the Articles;
- (b) ensure that the Net Asset Value of the Shares of the Company is calculated in accordance with Luxembourg laws and with the Articles;
- (c) carry out, or where applicable, cause any sub-custodian or other custodial delegate to carry out the instructions of the Company, unless they conflict with Luxembourg law or with the Articles;
- (d) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits;
- (e) ensure that the income of the Company is applied in accordance with the Articles.

The Depositary is entrusted with the safe-keeping of the Company’s assets. All assets that can be held in custody are registered in the Depositary’s books within segregated accounts, opened in the name of the Company, in respect of each Fund. For the other assets, the Depositary must verify the ownership of such assets by the Company in respect of each Fund. Furthermore, the Depositary shall ensure that the Fund’s cash flows are properly monitored.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, the Shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders. In that respect, the Depositary has confirmed that, for the time being, no such potential conflicts of interest have been identified.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the Law and the Depositary Agreement. In particular, such third parties must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation. Subject to the terms of the Depositary Agreement, entrusting the custody of assets to the operator of a securities settlement system is not considered to be a delegation of custody functions.

A list of the delegates and sub-delegates of the Depositary as of the date of this Prospectus is available in the Appendix 1. An updated list of the delegates and sub-delegates of the Depositary will be made available to investors by the Fund on request and free of charge.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement (*i.e.* the effective prudential regulation) under the Law, the Depositary may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided however that (i) the investors, prior to their investment in the Company, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Company.

In accordance with the provisions of the Law and the Depositary Agreement, the Depositary shall be liable for the loss of a financial instrument held in custody by the Depositary or a third party to whom the custody of such financial instruments has been delegated as described above. In such case, the Depositary must return a financial instrument of identical type or the corresponding amount to the Company, without undue delay. The Depositary shall not be liable if it is able to prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable to the Company, or to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Law and the Depositary Agreement.

The Company has agreed to indemnify and hold harmless the Depositary and its employees, officers and directors from any and all reasonable costs, liabilities and expenses resulting directly from the fact that they have been acting as agent of the Company in accordance with instructions received from the Company, except in case of negligence, intentional failure or in the event such indemnification would be contrary to mandatory provisions in Luxembourg laws. The Company will also indemnify and hold the Depositary harmless from any and all taxes, charges, expenses (including reasonable legal fees), assessments, claims or liabilities incurred by the Depositary or its delegates, or the Depositary's or the delegates' agents and correspondents, in connection with the performance of the services described in the Depositary Agreement, except if such taxes, charges, expenses, assessments, claims or liabilities arise from its or their negligent action, failure to exercise reasonable care in the performance of its or

their services as specified in the Depositary Agreement or wilful misconduct or in the case of any liability imposed by mandatory law.

The Company and the Depositary may terminate the Depositary Agreement on ninety (90) calendar days' prior written notice. The Depositary Agreement may also be terminated on shorter notice in certain circumstances. However, the Depositary shall continue to act as Depositary for up to two (2) months pending a replacement depositary being appointed and until such replacement, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the shareholders of the Company and allow the transfer of all assets of the Company to the succeeding depositary.

The fees and costs of the Depositary for the above functions will be borne by the Management Company unless the Management Company instructs the Company to pay such fees and costs to the Depositary as may be agreed between the Management Company and the Company from time to time.

The Depositary has no decision-making discretion relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus, or the activities of the Company and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus.

Up-to-date information regarding the identity of the Depositary, a description of its duties and of any conflicts of interest that may arise as well as a description of the delegated safekeeping functions will be made available to investors by the Fund on request and free of charge.

Administrator

The Bank of New York Mellon (International) Limited, Luxembourg Branch has been appointed as the Administrator pursuant to the administration agreement entered into on 7 March 2016 for an unlimited period of time from the date of its signature between the Company, the Management Company and the Administrator (the "**Administration Agreement**")¹⁰.

The Administrator will carry 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.

¹⁰ With effect from 1 January 2019, the Administration Agreement will be novated into a new agreement with the same terms and conditions and will be entered into between MSIM Fund Management (Ireland) Limited as the Company's management company, replacing Morgan Stanley Investment Management (ACD) Limited, and The Bank of New York Mellon (International) Limited, Luxembourg Branch.

The Administrator has also been appointed as the registrar and transfer agent of the Company. In this function the Administrator will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the share register of the Company.

The Administrator also provides paying agent services to the Company. In this function the Administrator will assist in the payment of dividends declared by the Company to its Shareholders.

The Administrator shall be liable and will indemnify the Company for any loss cost or damage resulting from its negligence or wrongful failure in the performance of its duties under the Administration Agreement.

The Company has agreed to indemnify and hold harmless the Administrator and its officers and directors from any and all cost, liability and expense resulting directly from the fact that the Administrator has acted in accordance with what is provided under the Administration Agreement except if such costs, liabilities or expenses are due to the Administrator's negligence or wrongful failure to perform.

Except to the extent prohibited by applicable rules and regulations and subject to the approval of the Management Company and, where required, the Luxembourg Regulatory Authority, the Administrator may delegate some or all of its duties under the Administration Agreement to one or more agents. The Administrator will however remain liable to the Company and the Management Company for any such delegation and for the acts and omissions of the agent(s) as if they were its own.

The Management Company reserves the right to change the administration arrangements described above by agreement with the Company and the Administrator and/or with the consent of the Company to appoint an alternative administrator without prior notice to Shareholders, except where such prior notice is required by applicable rules and regulations. Shareholders will be notified in due course of any appointment of an alternative administrator.

The Company, the Management Company and the Administrator may terminate the Administration Agreement on 90 calendar days' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances. The Management Company may terminate the Administration Agreement immediately upon written notice to the Administrator when this is in the interests of the Shareholders.

The fees and costs of the Administrator for the above functions will be borne by the Management Company unless the Management Company instructs the Company to pay such fees and costs to the Administrator as may be agreed between the Management Company and the Company from time to time

The Administrator is not responsible for any investment decisions of the Management Company or the effect of such investment decisions on the performance of the Company.

Domiciliary Agent

Pursuant to a domiciliary agreement the 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.

Auditors of the Company

The Company has appointed Ernst & Young S.A. as the independent authorised auditor (*réviseur d'entreprises agréé*) of the Company.

Distributor¹¹

The Management Company has appointed Morgan Stanley Investment Management Limited to act as Distributor. In this respect, it may engage certain financial institutions (**Intermediaries**) to solicit and sell Shares to investors.

The Distributor will comply, and by contractual agreement require each Intermediary to comply, where applicable, with applicable laws and regulations concerning anti-money laundering and, in particular, circulars issued by the Luxembourg Regulatory Authority.

Subject to the law of the countries where Shares are offered, Intermediaries may act as nominees for a Shareholder.

In this capacity, the Intermediary shall apply for the subscription, exchange or redemption of Shares for the account of its client and request registration of such transactions in the Company Shares' register in the name of such Intermediary.

Notwithstanding the foregoing, a Shareholder may invest directly in the Company without using the services of a nominee. The agreement between the Management Company and any nominee shall contain a provision or, if such is not the case, shall be deemed to include a provision that gives the Shareholder the right to exercise its title to the Shares subscribed through the nominee. The nominee agent will have no power to vote at any general meeting of Shareholders, unless the Shareholder grants it a power of attorney in writing with authority to do so.

An investor may ask at any time in writing that the Shares shall be registered in his name and in such case, upon delivery by the investor to the Administrator of the relevant confirmation letter of the nominee, the Administrator shall enter the corresponding transfer and investors' name into the Shareholder register and notify the nominee accordingly.

¹¹ With effect from 1 January 2019, Morgan Stanley Investment Management (Ireland) Limited will replace Morgan Stanley Investment Management Limited as the Company's Distributor. References in this document to the "Distributor" should, with effect from that date, be construed as references to Morgan Stanley Investment Management (Ireland) Limited..

However, the aforesaid provisions are not applicable for Shareholders who have acquired Shares in countries where the use of the services of a nominee (or other intermediary) is necessary or compulsory for legal, regulatory or compelling practical reasons.

In relation to any subscription, an Intermediary authorised to act as nominee is deemed to represent to the Company that:

- the underlying investor is not a U.S. Person;
- it will notify the Company, the Management Company and the Administrator immediately if it learns that an investor has become a U.S. Person;
- in the event that it has discretionary authority with respect to Shares which become beneficially owned by a U.S. Person, the Intermediary will cause such Shares to be redeemed; and
- it will not knowingly transfer or deliver any Shares or any part thereof or interest therein to a U.S. Person nor will any Shares be transferred to the United States.

The Management Company may, at any time, require Intermediaries who act as nominees to make additional representations to comply with any changes in applicable laws and regulations. All Intermediaries shall offer to each investor a copy of this Prospectus and shall provide the relevant Key Investor Information Document(s) (or any similar supplement, addendum or information note as may be required under applicable local law) as required by applicable laws prior to the subscription by the investor in any Fund.

An investor who subscribes through such an Intermediary may be subject to charges applied in the country where the Shares are offered.

CHARGES AND EXPENSES

Service provider fee

The Company shall pay the Management Company a Management Fee in respect of each Fund, the particulars of which are set out in "*Fund Particulars*". 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 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 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.

Share Dealing Charges

Details of Preliminary Charges payable on subscription of Shares (if any), redemption charges payable on redemption of Shares (if any) and/or exchange charges payable on the exchange of Shares (if any) are set out in respect of the Shares of each Fund in "*Fund Particulars*".

Details of the charges and expenses payable in relation to further Funds or Share Classes will be determined at the time of the creation of such further Funds or Share Classes and will be set out in "*Fund Particulars*".

Directors' Remuneration

The Directors will be entitled to remuneration from the Company for their services as Directors, provided however that the aggregate emoluments of each Director in respect of any twelve (12) months accounting period shall not exceed forty thousand euros (EUR 40,000.-) (or such higher amount as may be approved by the general meeting of Shareholders). In addition, the Directors will also be 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 Adviser, the Management Company or any affiliate thereof will not be entitled to remuneration from the Company for their services as Directors of the Company.

Ongoing Charges and Expenses

The Company will pay any expenses in respect of circulating details of the Net Asset Value, stamp duties, taxes, company secretarial fees, insurance, brokerage or other expenses of acquiring and disposing of investments, 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) will also be paid by the Company.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Board of Directors to be attributable to any one Fund, the expense will be allocated by the Board of Directors, in such manner and on such basis as the Board of Directors in its discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Board of Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Establishment Charges and Expenses

The cost of establishing the Company and the expenses of the initial offer of Shares in the Funds, the preparation and printing of the initial Prospectus, marketing costs and the fees of all professionals relating to it are being borne by Morgan Stanley Investment Management Limited.

Costs relating to the use of EPM Techniques

Each Fund may incur costs and fees in connection with EPM techniques. In particular, a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager or the Management Company, if applicable, will be available in the annual report.

All revenues arising from Securities Financing Transactions, net of direct and indirect operational costs, will be accrued to the relevant Fund.

GENERAL INFORMATION

Accounting Year

The Company's accounting year begins on 1 April and ends on 31 March of each year.

The first accounting year began the day when the Company was incorporated, i.e. 21 December 2012 and ended on 31 March 2013. The first audited annual financial report was established for the period ending on 31 March 2013. The first semi-annual financial report shall be established for the period ending on 30 September 2013.

Reports

The Company publishes annually audited financial statements and semi-annually unaudited financial statements.

The first annual audited report was published for the period ending on 31 March 2013. The first semi-annual financial report was published for the period ending on 30 September 2013.

Shareholders' Meetings

The annual general meeting of Shareholders is held on the third Tuesday of the month of July at 11:00 am Luxembourg time. If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following Business Day.

Extraordinary Shareholders' meetings or general meetings of Shareholders of any Fund or any Class of Shares may be held at such time and place as indicated in the notice to convene. Notices of such meetings shall be provided to the Shareholders in accordance with Luxembourg law and with the Articles.

Notwithstanding the foregoing, the first annual general meeting of Shareholders took place on 14 June 2013.

Minimum Net Assets

The Company must maintain assets equivalent in net value to at least the equivalent of EUR 1,250,000.-. There is no requirement that the individual Fund(s) have a minimum amount of assets.

Changes in Investment Policies of the Fund

The investment objective and policies of each Fund may be modified from time to time by the Board of Directors without the consent of the Shareholders, although the Shareholders will be duly informed in compliance with applicable laws and regulations.

MERGERS AND DIVISIONS

Merger of the Company and of Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the Law) of the assets of the Company or a Fund, whether as absorbing or absorbed party, with those of (i) another existing Fund within the Company or another existing fund within another Luxembourg or foreign UCITS, or of (ii) another Luxembourg or foreign UCITS. Such a merger shall be subject to the conditions and procedures imposed by the Law, in particular concerning the terms of the merger to be established by the Board of Directors and the information to be provided to the Shareholders.

The Board of Directors is competent to decide on the effective date of the merger. However, in accordance with the Law, where the Company is the absorbed entity which, thus, ceases to exist as a result of the merger, the general meeting of Shareholders of the Company must decide on the effective date of the merger. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Where the Company or a Fund is involved in a merger under the circumstances described above, whether as absorbing or absorbed party, Shareholders will be entitled to request, without any charge other than those charged by the Company or the Fund to meet divestment costs, the redemption of their Shares in the relevant Fund in accordance with the provisions of the Law.

Division of Funds

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Fund or that a change in the economic or political situation relating to the Fund concerned would justify it, the Board of Directors may decide to reorganise a Fund by dividing it into two (2) or more Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Funds. Such publication will be made one (1) month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares, free of charge before, the effective date.

Amalgamation of Classes

In the event that for any reason the value of the assets in any Class has decreased to an amount determined by the Board of Directors (in the interests of Shareholders) to be the minimum level for such Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Class concerned would have material adverse consequences on the investments of that Class or if the range of products offered to investors is rationalised, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Company and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

The Company shall send a written notice to the Shareholders of the relevant Class one (1) month prior to the effective date of the amalgamation in order to enable the Shareholders to request redemption or exchange of their Shares, free of charge, during such period. This notice will indicate the reasons and the procedure for the amalgamation. Except where to do so would not be in the interests of Shareholders, or could jeopardise equality of treatment between the Shareholders, the Shareholders of the Class concerned may continue to request redemption or exchange of their Shares without any additional charges (other than those retained by the Company to meet realisation expenses) prior to the effective date of the amalgamation.

DISSOLUTION AND LIQUIDATION OF THE COMPANY, ANY FUND OR ANY CLASS OF SHARES

The Company and any Fund have been established for an unlimited term, unless otherwise provided under “*Fund Particulars*”.

In the event that for any reason the value of the net assets in any Fund or the value of the net assets of any Class within a Fund has decreased to, or has not reached, an amount of US\$ 25,000,000 (which is determined by the Board of Directors to be the minimum level for such Fund or such Class to be operated in an economically efficient manner), or if a change in the economical or political situation relating to the Fund or Class concerned would have material adverse consequences on the investments of that Fund or Class, or in order to rationalise the Classes and/or the Funds offered, the Board of Directors may decide to redeem compulsorily all the Shares of the relevant Class or Classes issued in such Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Point at which such decision shall take effect and therefore close or liquidate such Class or Fund.

The decision of the Board of Directors will be published (either in newspapers to be determined by the Board of Directors or by way of a notice sent to the Shareholders at their addresses indicated in the register of Shareholders) prior to the effective date of the compulsory redemption and the publication and will indicate the reasons for, and the procedures of the compulsory redemption. Except where to do so would not be in the interests of the Shareholders, or could jeopardise equal treatment between the Shareholders, the Shareholders of the Fund or Class concerned may request redemption or exchange of their Shares free of charge (other than those retained by the Company to meet realization expenses) prior to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Shareholders of any one or all Classes of Shares issued in any Fund may at a general meeting of such Shareholders, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes at their Net Asset Value (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Point at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by a simple majority of the validly cast votes.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The dissolution of the last Fund will result in the liquidation of the Company.

However, the Company may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in the Articles and in compliance with the provision of the Company Law.

The liquidation of the Company shall be carried out in compliance with the Company Law, the Law and with the Articles.

DOCUMENTS AVAILABLE

Any investor may obtain a copy of any of the following documents at the registered office of the Company:

- the Prospectus;
- the Articles;
- the agreement between the Company and the Management Company;
- the agreement between the Company, the Management Company and the Distributor;
- the agreement(s) between the Company, the Management Company and the Investment Adviser(s);
- the agreement between the Company, the Management Company and the Administrator;
- the agreement between the Company and the Depositary;
- the agreement between the Company and the Domiciliary Agent;
- the most recent annual and semi-annual financial statements of the Company;
- a brief description of the strategy for the exercise of voting rights;
- a description of the conflicts of interest policy;
- the best execution policy.

A copy of the Prospectus, the most recent financial statements and the Articles may be obtained free of charge.

The Key Investor Information Document shall be provided to Shareholders before their subscription for Shares and before any request for exchange of Shares, in compliance with applicable laws and regulations. The Key Investor Information Document will be also available on the following website: www.morganstanley.com/liquidity.

The details of the Management Company's complaint handling procedures may be obtained free of charge during normal office hours at the registered office of the Management Company. A person having a complaint to make about the operation of the Company may submit such complaint in writing to the registered office of the Management Company.

The Company will publish in a Luxembourg newspaper, if necessary, any Shareholder notice required to be published by Luxembourg law or as provided in the Articles.

B. FUND PARTICULARS

LIST OF AVAILABLE FUNDS

Morgan Stanley Liquidity Funds – US Dollar Liquidity Fund
Morgan Stanley Liquidity Funds – Euro Liquidity Fund
Morgan Stanley Liquidity Funds – Sterling Liquidity Fund
Morgan Stanley Liquidity Funds – US Dollar Treasury Liquidity Fund

MS LIQUIDITY FUNDS – US DOLLAR LIQUIDITY FUND

Investment Objective

The US Dollar Liquidity Fund's investment objective is to provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital.

Investment Policy

The US Dollar Liquidity Fund will seek to achieve its investment objective primarily by investing in high quality short-term Money Market Instruments comprising transferable debt securities (which may include by way of example fixed or floating rate instruments including without limitation commercial paper, certificates of deposit, freely transferable promissory notes, government and corporate bonds and asset-backed securities) that are denominated in US Dollars. The debt securities acquired will be listed or traded on stock exchanges or a Regulated Market or an Other Regulated Market. The US Dollar Liquidity Fund may also invest in Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, as described under point (8) of the heading “*Investment Restrictions*” above. All Money Market Instruments acquired will a) have a maturity at issuance of up to and including 397 days; or b) have a residual maturity of up to and including 397 days; or c) undergo regular yield adjustments in line with money market conditions at least every 397 days; or d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points a) or b), or are subject to a yield adjustment as referred to in point c).

The US Dollar Liquidity Fund may on an ancillary basis, invest in non US Dollar denominated debt securities (which it will seek to hedge back to the US Dollar as part of its efficient portfolio management strategies).

It may also hold cash and cash equivalents, including time deposits in depository institutions.

The Fund will have a Weighted Average Maturity (WAM) of no more than 60 days and a Weighted Average Life (WAL) of no more than 120 days.

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the US Dollar Liquidity Fund will remain stable at US\$1.00, through the distribution of dividends. The Accumulation Shares in the US Dollar Liquidity Fund retain any net income and/or capital gains attributable to such Shares, which causes their value to change. See “*Market Risk*” and “*Stable Net Asset Value Risk*” under the heading “*Principal Risks*”.

The US Dollar Liquidity Fund is classified as a Short-Term Money Market Fund.

Typical Investor’s Profile

The Fund may be an appropriate investment for investors who:

- seek to invest in a liquidity fund.

- seek liquidity from their investments.

Powers of the Management Company to make adjustments to maintain a stable Net Asset Value in the Distributing Shares

The Fund uses the amortised cost method of valuation in order to maintain a stable Net Asset Value per Distributing Share at \$1.00 and also declares dividends on a daily or less frequent basis.

Where there are substantial adverse movements in interest rates, there can be no assurance that the Fund, by following these procedures, will be successful in maintaining a stable Net Asset Value per Share.

In such circumstances, the Management Company shall be entitled to take the following actions in seeking to maintain a stable Net Asset Value per Share:

- (i) reduce or suspend the declaration or payment of dividends, make no declaration of dividend or declare a shortfall per Share on each Dealing Day or less frequently as a shortfall attributable to the Shares. Such shortfall, being such amount as shall be necessary to maintain a stable Net Asset Value per Share taking into account low interest rates, Duties and Charges, interest charges, premiums and the agreed fees on the relevant service providers;
- (ii) address any such shortfall on each Dealing Day or less frequently as may be appropriate by the compulsory redemption equally of such number of Shares held by each Shareholder in the relevant Share Class required to cover the declared shortfall, with the proceeds of each such redemption being retained by the Fund.

Efficient Portfolio Management

The US Dollar Liquidity Fund does not currently invest in financial derivative instruments but may do so in the future and may utilise EPM Techniques in accordance with the applicable conditions and limits.

The US Dollar Liquidity Fund may enter into the following Securities Financing Transactions for efficient portfolio management purposes in accordance with the applicable conditions and limits.

Type of transaction	Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Fund's Net Asset Value indicated below.	The principal amount of the Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Fund's Net Asset Value indicated below.
Repurchase, including reverse repurchase, transactions	10%	100%

Risk Factor

The general risk factors as set out in "*Principal Risks*" apply.

Although it is intended to maintain a stable Net Asset Value in the Distributing Shares of the US Dollar Liquidity Fund, there can be no assurance that this will be achieved. The value of the Fund may be affected by the creditworthiness of issuers of the Fund's investments and, notwithstanding the policy of the Fund of investing in short term instruments, may also be affected by substantial movements in interest rates.

The Management Company has the right at any time to compulsorily redeem equally any number of Shares held by each Shareholder, with the proceeds of any such redemption being retained by the Fund, and/or to suspend or reduce the declaration or payment of dividends where substantial adverse movements in interest rates, rising Duties and Charges, interest charges, premiums and service providers fees impact upon the ability to maintain a stable Net Asset Value per Distributing Share.

Base Currency

The Base Currency of the Fund is the US Dollar.

Dealing Day

The Dealing Day for the Fund is every Business Day on which banks in New York are open for normal business. In addition, at the discretion of the Directors, a Business/Dealing Day may also include any other day notified in advance to the Shareholders.

Dealing Deadline

The Dealing Deadline is 4pm Eastern Standard Time on each Dealing Day or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day.

Settlement Date

The Settlement Date in case of subscription of Shares, with the exception of Institutional (+1) Accumulation Shares, will be the Dealing Day. By derogation, in exceptional situations where

the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortized cost method of valuation, as detailed under "*Determination of the Net Asset Value*" above, the Settlement Date will be extended to the first Business Day following the Dealing Day.

In the case of redemptions of Shares, with the exception of Institutional (+1) Accumulation Shares, proceeds will be paid to the account specified in the Application Form usually by electronic transfer and at the Shareholder's risk and expense generally on the same Dealing Day as (and in any event no later than 10 Business Days after) the receipt of the relevant duly signed redemption documentation. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Settlement Date will generally be the first Business Day following the Dealing Day (and in any event no later than 10 Business Days after).

The Settlement Date for subscriptions and redemptions of Institutional (+1) Accumulation Shares will be the Business Day following the Dealing Day.

Valuation Point

The Valuation Point is 5.30 pm Eastern Standard Time on the first Business Day preceding the Dealing Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Valuation Point will be 5.30 pm Eastern Standard Time on that Dealing Day.

Characteristics of the Shares

The characteristics of the Shares of the Fund will be as follows

	Distributio n Policy	Minimum Initial Subscripti on	Minimum Additional Subscripti on	Minimu m Holding	Management Fee
Institutional Shares	Distributing Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Institutional Select Shares	Distributing Shares	US \$750,000	None	US \$1,000	0.25% per annum of the Net Asset Value
Qualified Shares	Distributing Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Administrat ive Shares	Distributing Shares	US \$500,000	None	US \$1,000	0.30% per annum of the Net Asset Value
Advisory Shares	Distributing Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value

Advantage Shares	Distributing Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value
MS Reserve Shares	Distributing Shares	None	None	US \$1,000	Nil
Master Shares	Distributing Shares	None	None	US \$1,000	Nil
Institutional Accumulation Shares	Accumulation Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Institutional Select Accumulation Shares	Accumulation Shares	US \$750,000	None	US \$1,000	0.25% per annum of the Net Asset Value
Institutional (+1) Accumulation Shares	Accumulation Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Qualified Accumulation Shares	Accumulation Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Administrative Accumulation Shares	Accumulation Shares	US \$500,000	None	US \$1,000	0.30% per annum of the Net Asset Value
Advisory Accumulation Shares	Accumulation Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value
Advantage Accumulation Shares	Accumulation Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value
MS Reserve Accumulation Shares	Accumulation Shares	None	None	US \$1,000	Nil
Master Accumulation Shares	Accumulation Shares	None	None	US \$1,000	Nil

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the US Dollar Liquidity Fund.

There is no Preliminary Charges payable. Redemption charges or exchange charges are not normally payable but, the Board of Directors reserves the right at its sole discretion to impose a redemption charge or exchange charge of up to 0.5% of the total redemption price of the Shares in exceptional circumstances where the Board of Directors believes that this is appropriate to protect the interests of the Company.

Please refer to “*Charges and Expenses*” for general information on fees and expenses applicable to the Fund and the Company.

MS LIQUIDITY FUNDS – EURO LIQUIDITY FUND

Investment Objective

The Euro Liquidity Fund's investment objective is to provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital.

Investment Policy

The Euro Liquidity Fund will seek to achieve its investment objective primarily by investing in high quality short-term Money Market Instruments comprising transferable debt securities (which may include by way of example fixed or floating rate instruments including without limitation commercial paper, certificates of deposit, freely transferable promissory notes, government and corporate bonds and asset-backed securities) that are denominated in Euro. The debt securities acquired will be listed or traded on a Regulated Market or an Other Regulated Market. The Euro Liquidity Fund may also invest in Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, as described under point (8) of the heading "*Investment Restrictions*" above. All Money Market Instruments acquired will a) have a maturity at issuance of up to and including 397 days; or b) have a residual maturity of up to and including 397 days; or c) undergo regular yield adjustments in line with money market conditions at least every 397 days; or d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points a) or b), or are subject to a yield adjustment as referred to in point c).

The Euro Liquidity Fund may on an ancillary basis, invest in non Euro denominated debt securities (which it will seek to hedge back to Euro as part of its efficient portfolio management strategies).

It may also hold cash and cash equivalents, including time deposits in depository institutions.

The Fund will have a Weighted Average Maturity (WAM) of no more than 60 days and a Weighted Average Life (WAL) of no more than 120 days.

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the Euro Liquidity Fund will remain stable at €1.00, through the distribution of dividends. The Accumulation Shares in the Euro Liquidity Fund retain any net income and/or capital gains attributable to such Shares, which causes their value to change. See "*Market Risk*" and "*Stable Net Asset Value Risk*" under the heading "*Principal of Risks*".

The Euro Liquidity Fund is classified as a Short-Term Money Market Fund.

Typical Investor's Profile

The Fund may be an appropriate investment for investors who:

- seek to invest in a liquidity fund.
- seek liquidity from their investments.

Powers of the Management Company to make adjustments to maintain a stable Net Asset Value in the Distributing Shares

The Fund uses the amortised cost method of valuation in order to maintain a stable Net Asset Value per Distributing Share at €1.00 and also declares dividends on a daily or less frequent basis.

Where there are substantial adverse movements in interest rates, there can be no assurance that the Fund, by following these procedures, will be successful in maintaining a stable Net Asset Value per Share.

In such circumstances, the Management Company shall be entitled to take the following actions in seeking to maintain a stable Net Asset Value per Share:

- (i) reduce or suspend the declaration or payment of dividends, make no declaration of dividend or declare a shortfall per Share on each Dealing Day or less frequently as a shortfall attributable to the Shares. Such shortfall, being such amount as shall be necessary to maintain a stable Net Asset Value per Share taking into account low interest rates, Duties and Charges, interest charges, premiums and the agreed fees on the relevant service providers;
- (ii) address any such shortfall on each Dealing Day or less frequently as may be appropriate by the compulsory redemption equally of such number of Shares held by each Shareholder in the relevant Share Class required to cover the declared shortfall, with the proceeds of each such redemption being retained by the Fund.

Sub-Investment Adviser

Morgan Stanley & Co International plc, a public limited company incorporated in England and Wales under the Companies Act 1985 on 28 October 1986 has been appointed as a Sub-Investment Adviser for the Euro Liquidity Fund pursuant to the Sub-Investment Advisory Agreement.

Efficient Portfolio Management

The Euro Liquidity Fund does not currently invest in financial derivative instruments but may do so in the future and may utilise EPM Techniques in accordance with the applicable conditions and limits.

The Euro Liquidity Fund may enter into the following Securities Financing Transactions for efficient portfolio management purposes in accordance with the applicable conditions and limits.

Type of transaction	Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Fund's Net Asset Value indicated below.	The principal amount of the Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Fund's Net Asset Value indicated below.
Repurchase, including reverse repurchase, transactions	10%	100%

Risk Factor

The general risk factors as set out in “*Principal Risks*” apply.

Although it is intended to maintain a stable Net Asset Value in the Distributing Shares of the Euro Liquidity Fund, there can be no assurance that this will be achieved. The value of the Fund may be affected by market movements (including but not limited to substantial adverse movements in interest rates), the creditworthiness of issuers of the Fund's investment, rising Duties and Charges, interest charges, premiums and service providers fees.

The Management Company has the right at any time to compulsorily redeem equally any number of Shares held by each Shareholder, with the proceeds of any such redemption being retained by the Fund, and/or to suspend or reduce the declaration or payment of dividends where substantial adverse movements in interest rates, rising Duties and Charges, interest charges, premiums and service providers fees impact upon the ability to maintain a stable Net Asset Value per Distributing Share.

Base Currency

The Base Currency of the Fund is the Euro.

Dealing Day

The Dealing Day for the Fund is every Business Day which **is not designated as a TARGET closing day by the European Central Bank**. In addition, at the discretion of the Directors, a Business/Dealing day may also include any other day notified in advance to the Shareholders.

Dealing Deadline

The Dealing Deadline is 1 pm London Time on each Dealing Day or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day.

Settlement Date

The Settlement Date in case of subscription of Shares, with the exception of Institutional (+1) Accumulation Shares, will be the Dealing Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortized

cost method of valuation, as detailed under "*Determination of the Net Asset Value*" above, the Settlement Date will be extended to the first Business Day following the Dealing Day.

In the case of redemptions of Shares, with the exception of Institutional (+1) Accumulation Shares, proceeds will be paid to the account specified in the Application Form usually by electronic transfer and at the Shareholder's risk and expense generally on the same Dealing Day as (and in any event no later than 10 Business Days after) the receipt of the relevant duly signed redemption documentation. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Settlement Date will generally be the first Business Day following the Dealing Day (and in any event no later than 10 Business Days after).

The Settlement Date for subscriptions and redemptions of Institutional (+1) Accumulation Shares will be the Business Day following the Dealing Day.

Valuation Point

The Valuation Point is 3 pm London Time on the first Business Day preceding the Dealing Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Valuation Point will be 3 pm London Time on that Dealing Day.

Characteristics of the Shares

The characteristics of the Shares of the Fund will be as follows:

	Distribution Policy	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Management Fee
Institutional Shares	Distributing Shares	€1 million	None	€1,000	0.20% per annum of the Net Asset Value
Institutional Select Shares	Distributing Shares	€750,000	None	€1,000	0.25% per annum of the Net Asset Value
Qualified Shares	Distributing Shares	€1 million	None	€1,000	0.20% per annum of the Net Asset Value
Administrative Shares	Distributing Shares	€500,000	None	€1,000	0.30% per annum of the Net Asset Value
Advisory Shares	Distributing Shares	€250,000	None	€1,000	0.45% per annum of the Net Asset Value
Advantage Shares	Distributing Shares	€250,000	None	€1,000	0.45% per annum of the Net Asset Value

MS Reserve Shares	Distributing Shares	None	None	€1,000	Nil
Master Shares	Distributing Shares	None	None	€1,000	Nil
Institutional Accumulation Shares	Accumulation Shares	€1 million	None	€1,000	0.20% per annum of the Net Asset Value
Institutional Select Accumulation Shares	Accumulation Shares	€750,000	None	€1,000	0.25% per annum of the Net Asset Value
Institutional (+1) Accumulation Shares	Accumulation Shares	€1 million	None	€1,000	0.20% per annum of the Net Asset Value
Qualified Accumulation Shares	Accumulation Shares	€1 million	None	€1,000	0.20% per annum of the Net Asset Value
Administrative Accumulation Shares	Accumulation Shares	€500,000	None	€1,000	0.30% per annum of the Net Asset Value
Advisory Accumulation Shares	Accumulation Shares	€250,000	None	€1,000	0.45% per annum of the Net Asset Value
Advantage Accumulation Shares	Accumulation Shares	€250,000	None	€1,000	0.45% per annum of the Net Asset Value
MS Reserve Accumulation Shares	Accumulation Shares	None	None	€1,000	Nil
Master Accumulation Shares	Accumulation Shares	None	None	€1,000	Nil

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Euro Liquidity Fund.

There is no Preliminary Charges payable. Redemption charges or exchange charges are not normally payable but the Board of Directors reserves the right at its sole discretion to impose a redemption charge or exchange charge of up to 0.5% of the total redemption price of the Shares in exceptional circumstances where the Board of Directors believes that this is appropriate to protect the interests of the Company.

Please refer to “*Charges and Expenses*” for general information on fees and expenses applicable to the Fund and the Company.

MS LIQUIDITY FUNDS – STERLING LIQUIDITY FUND

Investment Objective

The Sterling Liquidity Fund's investment objective is to provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital.

Investment Policy

The Sterling Liquidity Fund will seek to achieve its investment objective primarily by investing in high quality short-term Money Market Instruments comprising transferable debt securities (which may include by way of example fixed or floating rate instruments including without limitation commercial paper, certificates of deposit, freely transferable promissory notes, government and corporate bonds and asset-backed securities) that are denominated in Sterling. The debt securities acquired will be listed or traded on stock exchanges or a Regulated Market or an Other Regulated Market. The Sterling Liquidity Fund may also invest in Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, as described under point (8) of the heading "*Investment Restrictions*" above. All Money Market Instruments acquired will a) have a maturity at issuance of up to and including 397 days; or b) have a residual maturity of up to and including 397 days; or c) undergo regular yield adjustments in line with money market conditions at least every 397 days; or d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points a) or b), or are subject to a yield adjustment as referred to in point c).

The Sterling Liquidity Fund may on an ancillary basis, invest in non Pound Sterling denominated debt securities (which it will seek to hedge back to Pound Sterling as part of its efficient portfolio management strategies).

It may also hold cash and cash equivalents, including time deposits in depository institutions.

The Fund will have a Weighted Average Maturity (WAM) of no more than 60 days and a Weighted Average Life (WAL) of no more than 120 days.

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the Sterling Liquidity Fund will remain stable at £1.00, through the distribution of dividends. The Accumulation Shares in the Sterling Liquidity Fund retain any net income and/or capital gains attributable to such Shares, which causes their value to change. See "*Market Risk*" and "*Stable Net Asset Value and Risk*" under the heading "*Principal of Risks*".

The Sterling Liquidity Fund is classified as a Short-Term Money Market Fund.

Typical Investor's Profile

The Fund may be an appropriate investment for investors who:

- seek to invest in a liquidity fund.
- seek liquidity from their investments.

Powers of the Management Company to make adjustments to maintain a stable Net Asset Value in the Distributing Shares

The Fund uses the amortised cost method of valuation in order to maintain a stable Net Asset Value per Distributing Share at £1.00 and also declares dividends on a daily or less frequent basis.

Where there are substantial adverse movements in interest rates, there can be no assurance that the Fund, by following these procedures, will be successful in maintaining a stable Net Asset Value per Share.

In such circumstances, the Management Company shall be entitled to take the following actions in seeking to maintain a stable Net Asset Value per Share:

- (i) reduce or suspend the declaration or payment of dividends, make no declaration of dividend or declare a shortfall per Share on each Dealing Day or less frequently as a shortfall attributable to the Shares. Such shortfall, being such amount as shall be necessary to maintain a stable Net Asset Value per Share taking into account low interest rates, Duties and Charges, interest charges, premiums and the agreed fees on the relevant service providers;
- (ii) address any such shortfall on each Dealing Day or less frequently as may be appropriate by the compulsory redemption equally of such number of Shares held by each Shareholder in the relevant Share Class required to cover the declared shortfall, with the proceeds of each such redemption being retained by the Fund.

Sub-Investment Adviser

Morgan Stanley & Co International plc, a public limited company incorporated in England and Wales under the Companies Act 1985 on 28 October 1986 has been appointed as a Sub-Investment Adviser for the Sterling Liquidity Fund pursuant to the Sub-Investment Advisory Agreement.

Efficient Portfolio Management

The Sterling Liquidity Fund does not currently invest in financial derivative instruments but may do so in the future and may utilise EPM Techniques in accordance with the applicable conditions and limits.

The Sterling Liquidity Fund may enter into the following Securities Financing Transactions for efficient portfolio management purposes in accordance with the applicable conditions and limits.

Type of transaction	Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Fund's Net Asset Value indicated below.	The principal amount of the Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Fund's Net Asset Value indicated below.
Repurchase, including reverse repurchase, transactions	10%	100%

Risk Factor

The general risk factors as set out in "*Principal Risks*" apply.

Although it is intended to maintain a stable Net Asset Value in the Distributing Shares of the Sterling Liquidity Fund, there can be no assurance that this will be achieved. The value of the Fund may be affected by the creditworthiness of issuers of the Fund's investments and, notwithstanding the policy of the Fund of investing in short term instruments, may also be affected by substantial movements in interest rates.

The Management Company has the right at any time to compulsorily redeem equally any number of Shares held by each Shareholder, with the proceeds of any such redemption being retained by the Fund, and/or to suspend or reduce the declaration or payment of dividends where substantial adverse movements in interest rates, rising Duties and Charges, interest charges, premiums and service providers fees impact upon the ability to maintain a stable Net Asset Value per Distributing Share.

Base Currency

The Base Currency of the Fund is the Pound Sterling.

Dealing Day

The Dealing Day for the Fund is every Business Day on which banks in London are open for normal business. In addition, at the discretion of the Directors, a Business/Dealing day may also include any other day notified in advance to the Shareholders.

Dealing Deadline

The Dealing Deadline is 1 pm London Time on each Dealing Day or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day.

Settlement Date

The Settlement Date in case of subscription of Shares, with the exception of Institutional (+1) Accumulation Shares, will be the Dealing Day. By derogation, in exceptional situations where

the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortized cost method of valuation, as detailed under "*Determination of the Net Asset Value*" above, the Settlement Date will be extended to the first Business Day following the Dealing Day.

In the case of redemptions of Shares, with the exception of Institutional (+1) Accumulation Shares, proceeds will be paid to the account specified in the Application Form usually by electronic transfer and at the Shareholder's risk and expense generally on the same Dealing Day as (and in any event no later than 10 Business Days after) the receipt of the relevant duly signed redemption documentation. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Settlement Date will generally be the first Business Day following the Dealing Day (and in any event no later than 10 Business Days after).

The Settlement Date for subscriptions and redemptions of Institutional (+1) Accumulation Shares will be the Business Day following the Dealing Day.

Valuation Point

The Valuation Point is 3 pm London Time on the first Business Day preceding the Dealing Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Valuation Point will be 3 pm London Time on that Dealing Day.

Characteristics of the Shares

The characteristics of the Shares of the Fund will be as follows:

	Distributio n Policy	Minimum Initial Subscripti on	Minimum Additional Subscripti on	Minimu m Holding	Management Fee
Institutional Shares	Distributing Shares	£1 million	None	£1,000	0.20% per annum of the Net Asset Value
Institutional Select Shares	Distributing Shares	£750,000	None	£1,000	0.25% per annum of the Net Asset Value
Qualified Shares	Distributing Shares	£1 million	None	£1,000	0.20% per annum of the Net Asset Value
Administrat ive Shares	Distributing Shares	£500,000	None	£1,000	0.30% per annum of the Net Asset Value
Advisory Shares	Distributing Shares	£250,000	None	£1,000	0.45% per annum of the Net Asset Value

Advantage Shares	Distributing Shares	£250,000	None	£1,000	0.45% per annum of the Net Asset Value
MS Reserve Shares	Distributing Shares	None	None	£1,000	Nil
Master Shares	Distributing Shares	None	None	£1,000	Nil
Institutional Accumulation Shares	Accumulation Shares	£1 million	None	£1,000	0.20% per annum of the Net Asset Value
Institutional Select Accumulation Shares	Accumulation Shares	£750,000	None	£1,000	0.25% per annum of the Net Asset Value
Institutional (+1) Accumulation Shares	Accumulation Shares	£1 million	None	£1,000	0.20% per annum of the Net Asset Value
Qualified Accumulation Shares	Accumulation Shares	£1 million	None	£1,000	0.20% per annum of the Net Asset Value
Administrative Accumulation Shares	Accumulation Shares	£500,000	None	£1,000	0.30% per annum of the Net Asset Value
Advisory Accumulation Shares	Accumulation Shares	£250,000	None	£1,000	0.45% per annum of the Net Asset Value
Advantage Accumulation Shares	Accumulation Shares	£250,000	None	£1,000	0.45% per annum of the Net Asset Value
MS Reserve Accumulation Shares	Accumulation Shares	None	None	£1,000	Nil
Master Accumulation Shares	Accumulation Shares	None	None	£1,000	Nil

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Sterling Liquidity Company.

There are no Preliminary Charges payable. Redemption charges or exchange charges are not normally payable but the Board of Directors reserves the right at its sole discretion to impose a redemption charge or exchange charge of up to 0.5% of the total redemption price of the Shares in exceptional circumstances where the Board of Directors believes that this is appropriate to protect the interests of the Company.

Please refer to the section “*Charges and Expenses*” for general information on fees and expenses applicable to the Fund and the Company.

MS LIQUIDITY FUNDS – US DOLLAR TREASURY LIQUIDITY FUND

Investment Objective

The US Dollar Treasury Liquidity Fund's investment objective is to provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital.

Investment Policy

The US Dollar Treasury Liquidity Fund will seek to achieve its investment objective primarily by investing in high quality short-term Money Market Instruments comprising transferable debt securities issued by the United States Government (which may include by way of example treasury bills and notes) and which are denominated in US Dollars. The debt securities acquired will be listed or traded on stock exchanges or a Regulated Market or an Other Regulated Market. The US Dollar Treasury Liquidity Fund may also invest in Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, as described under point (8) of the heading “*Investment Restrictions*” above. All Money Market Instruments acquired will a) have a maturity at issuance of up to and including 397 days; or b) have a residual maturity of up to and including 397 days; or c) undergo regular yield adjustments in line with money market conditions at least every 397 days; or d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points a) or b), or are subject to a yield adjustment as referred to in point c).

The US Dollar Treasury Liquidity Fund will enter into repurchase and/or reverse repurchase agreements (being Securities Financing Transactions, as defined in this Prospectus) in respect of treasuries which constitute money market instruments for the purposes of efficient portfolio management in accordance with the applicable conditions and limits¹².

The Fund may also hold cash.

The Fund will have a Weighted Average Maturity (WAM) of no more than 60 days and a Weighted Average Life (WAL) of no more than 120 days.

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the US Dollar Treasury Liquidity Fund will remain stable at US\$1.00, through the distribution of dividends. The Accumulation Shares in the US Dollar Treasury Liquidity Fund retain any net income and/or capital gains attributable to such Shares, which

¹² The possibility for the US Dollar Treasury Liquidity Fund to enter into repurchase and/or reverse repurchase agreements will only be effective as from 2 July 2018.

causes their value to change. See "*Market Risks*" and "*Stable Net Asset Value Risk*" under the heading "*Principal Risks*".

The US Dollar Treasury Liquidity Fund is classified as a Short-Term Money Market Fund.

Typical Investor's Profile

The Fund may be an appropriate investment for investors who:

- seek to invest in a liquidity fund.
- seek liquidity from their investments.

Powers of the Management Company to make adjustments to maintain a stable Net Asset Value in the Distributing Shares

The Fund uses the amortised cost method of valuation in order to maintain a stable Net Asset Value per Distributing Share at \$1.00 and also declares dividends on a daily or less frequent basis.

Where there are substantial adverse movements in interest rates, there can be no assurance that the Fund, by following these procedures, will be successful in maintaining a stable Net Asset Value per Share.

In such circumstances, the Management Company shall be entitled to take the following actions in seeking to maintain a stable Net Asset Value per Share:

- (i) reduce or suspend the declaration or payment of dividends, make no declaration of dividend or declare a shortfall per Share on each Dealing Day or less frequently as a shortfall attributable to the Shares. Such shortfall, being such amount as shall be necessary to maintain a stable Net Asset Value per Share taking into account low interest rates, Duties and Charges, interest charges, premiums and the agreed fees on the relevant service providers;
- (ii) address any such shortfall on each Dealing Day or less frequently as may be appropriate by the compulsory redemption equally of such number of Shares held by each Shareholder in the relevant Share Class required to cover the declared shortfall, with the proceeds of each such redemption being retained by the Fund.

Efficient Portfolio Management

The US Dollar Treasury Liquidity Fund does not currently invest in financial derivative instruments but may do so in the future and may utilise EPM Techniques in accordance with the applicable conditions and limits.

The US Dollar Treasury Liquidity Fund will enter into the following Securities Financing Transactions for efficient portfolio management purposes in accordance with the applicable conditions and limits¹³.

Type of transaction	Under normal circumstances it is generally expected that the principal amount of such transactions will not exceed a proportion of the Fund's Net Asset Value indicated below.	The principal amount of the Fund's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Fund's Net Asset Value indicated below.
Repurchase, including reverse transactions	25%	100%

Risk Factor

The general risk factors as set out in "*Principal Risks*" apply.

Although it is intended to maintain a stable Net Asset Value in the Distributing Shares of the US Dollar Treasury Liquidity Fund, there can be no assurance that this will be achieved. The value of the Fund may be affected by the creditworthiness of issuers of the Fund's investments and, notwithstanding the policy of the Fund of investing in short term instruments, may also be affected by substantial movements in interest rates.

The Management Company has the right at any time to compulsorily redeem equally any number of Shares held by each Shareholder, with the proceeds of any such redemption being retained by the Fund, and/or to suspend or reduce the declaration or payment of dividends where substantial adverse movements in interest rates, rising Duties and Charges, interest charges, premiums and service providers fees impact upon the ability to maintain a stable Net Asset Value per Distributing Share.

Base Currency

The Base Currency of the Fund is the US Dollar.

¹³ The possibility for the US Dollar Treasury Liquidity Fund to enter into repurchase and/or reverse repurchase agreements will only be effective as from 2 July 2018.

Dealing Day

The Dealing Day for the Fund is every Business Day on which banks in New York are open for normal business. In addition, at the discretion of the Directors, a Business/Dealing day may also include any other day notified in advance to the Shareholders.

Dealing Deadline

The Dealing Deadline is 3 pm Eastern Standard Time on each Dealing Day or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day.

Settlement Date

The Settlement Date in case of subscription of Shares, with the exception of Institutional (+1) Accumulation Shares, will be the Dealing Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortized cost method of valuation, as detailed under "*Determination of the Net Asset Value*" above, the Settlement Date will be extended to the first Business Day following the Dealing Day.

In the case of redemptions of Shares proceeds, with the exception of Institutional (+1) Accumulation Shares, will be paid to the account specified in the Application Form usually by electronic transfer and at the Shareholder's risk and expense generally on the same Dealing Day as (and in any event no later than 10 Business Days after) the receipt of the relevant duly signed redemption documentation. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Settlement Date will generally be the first Business Day following the Dealing Day (and in any event no later than 10 Business Days after).

The Settlement Date for subscriptions and redemptions of Institutional (+1) Accumulation Shares will be the Business Day following the Dealing Day.

Valuation Point

The Valuation Point is 5.30 pm Eastern Standard Time on the first Business Day preceding the Dealing Day. By derogation, in exceptional situations where the Net Asset Value of the Shares on a Dealing Day cannot be calculated using the amortised cost method of valuation, the Valuation Point will be 5.30 pm Eastern Standard Time on that Dealing Day.

Characteristics of the Shares

The characteristics of the Shares of the Fund will be as follows:

	Distribution Policy	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Management Fee
Institutional Shares	Distributing Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value

Institutional Select Shares	Distributing Shares	US \$750,000	None	US \$1,000	0.25% per annum of the Net Asset Value
Qualified Shares	Distributing Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Administrative Shares	Distributing Shares	US \$500,000	None	US \$1,000	0.30% per annum of the Net Asset Value
Advisory Shares	Distributing Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value
Advantage Shares	Distributing Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value
MS Reserve Shares	Distributing Shares	None	None	US \$1,000	Nil
Master Shares	Distributing Shares	None	None	US \$1,000	Nil
Institutional Accumulation Shares	Accumulation Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Institutional Select Accumulation Shares	Accumulation Shares	US \$750,000	None	US \$1,000	0.25% per annum of the Net Asset Value
Institutional (+1) Accumulation Shares	Accumulation Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Qualified Accumulation Shares	Accumulation Shares	US \$1 million	None	US \$1,000	0.20% per annum of the Net Asset Value
Administrative Accumulation Shares	Accumulation Shares	US \$500,000	None	US \$1,000	0.30% per annum of the Net Asset Value
Advisory Accumulation Shares	Accumulation Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value

on Shares

Advantage Accumulation Shares	Accumulation Shares	US \$250,000	None	US \$1,000	0.45% per annum of the Net Asset Value
MS Reserve Accumulation Shares	Accumulation Shares	None	None	US \$1,000	Nil
Master Accumulation Shares	Accumulation Shares	None	None	US \$1,000	Nil

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the US Dollar Treasury Liquidity Fund.

There are no Preliminary Charges payable. Redemption charges or exchange charges are not normally payable but the Board of Directors reserves the right at its sole discretion to impose a redemption charge or exchange charge of up to 0.5% of the total redemption price of the Shares in exceptional circumstances where the Board of Directors believes that this is appropriate to protect the interests of the Company.

Please refer to “*Charges and Expenses*” for general information on fees and expenses applicable to the Fund and the Company.

APPENDIX 1 – List of delegates and sub-delegates of the Depositary

Country	Delegate acting as global sub-custodian
All markets	The Bank of New York Mellon SA/NV

Country	Sub-delegates acting as local sub-custodian
France	BNP Paribas Securities Services S.C.A.
U.K.	The Bank of New York Mellon
U.S.A.	The Bank of New York Mellon

Country	Directed delegate
U.S.A.	JP Morgan Chase Bank N.A.

APPENDIX 2 – Data Protection Notification

- a) In accordance with the data protection law applicable to the Grand-Duchy of Luxembourg including the Law of 2 August 2002 on the protection of persons with regard to the processing of personal data (as may be amended from time to time), the General Data Protection Regulation (EU) 2016/679 and all applicable laws (together, the “**Data Protection Laws**”), the Company, acting as “data controller” within the meaning of the Data Protection Laws, hereby informs prospective investors and holders of shares in the Company (together, “**Shareholders**”, and each a “**Shareholder**”) that personal data provided by each Shareholder to the Company (“**Personal Data**”, as defined in paragraph (b), below) may be collected, recorded, stored, adapted, shared, transferred or otherwise processed, by electronic means or otherwise, for the following purposes (each a “**Processing Purpose**”):
- 1) to enable and process the subscription and redemption of Shares in the Company by investors, including (without limitation) the facilitation and processing of payments by and to the Company (including the payment of subscription monies and redemption proceeds, the payment of fees by and to Shareholders and the payment of distributions on Shares), and generally to enable and give effect to the participation of investors in the Company;
 - 2) to enable an account to be maintained of all payments referenced in sub-paragraph (1), above;
 - 3) to enable the maintaining of a register of Shareholders in accordance with applicable laws;
 - 4) to carry out or to facilitate the carrying out with respect to Shareholders of credit, money laundering, due diligence and conflict checks for the purposes of fraud, money-laundering, financial crime prevention and tax identification laws (including FATCA and CRS and applicable anti-money laundering laws), and generally to enable the Company to comply with its legal obligations arising in connection therewith;
 - 5) to enable the Company to perform controls in respect of late trading and market timing practices;
 - 6) to facilitate the provision to the Company of services by the service providers referenced in this Prospectus, including (without limitation) the authorisation or confirmation of billing transactions and payments by and to the Company;
 - 7) to facilitate the operational support and development necessary to the Company’s investment objectives and strategies with respect to its Funds, including (without limitation) the Company’s risk management processes, and

the evaluation of services provided to the Company by third-party service providers;

- 8) in relation to any litigation, disputes or contentious matter in which the Company is involved;
- 9) to comply with legal and regulatory requests made to the Company anywhere in the world;
- 10) to facilitate reporting, including (without limitation) transaction reporting to, and audits by, national and international regulatory, enforcement or exchange bodies, and tax authorities (including the Luxembourg Tax Authority) and the compliance by the Company with court orders associated therewith;
- 11) for the Monitoring Purposes defined and specified in Section (e) below; and
- 12) for direct marketing purposes specified in Section (g) below.

The Company may not collect Personal Data without a valid legal ground. Accordingly, the Company will only process and use Personal Data:

- a) if necessary to enter into, to execute or to carry out a contract with each Shareholder for the services or products required by the Shareholder (as described in Processing Purposes 1 to 3 inclusive, above);
 - b) if necessary for the Company's legitimate interests, provided in each case that such interests are not overridden by the privacy interests of impacted individuals. The Company's legitimate interests are described in the Processing Purposes 5, 6, 7, 8, 11 and 12, above;
 - c) to exercise and defend the Company's legal rights anywhere in the world as described in Processing Purpose 8 above; and
 - d) if necessary to comply with legal obligations, (including any legal or regulatory guidance, codes or opinions), applicable to the Company anywhere in the world as described in Processing Purposes 4, 9 and 10 above.
- b) **“Personal Data”** includes data that is personal to a Shareholder (whether a Shareholder is a natural or a legal person) and which the Company obtains directly from a Shareholder and/or indirectly from a data processor, such as personal details (including, at a minimum, a Shareholder's name, legal organization, country of residence, address and contact details) and financial account information. Some of this information will be publicly accessible.

Under certain conditions set out under the Data Protection Laws, a Shareholder shall have the right:

- (i) to access to his/her/its Personal Data;
- (ii) to correct or amend his/her/its Personal Data when such Personal Data is inaccurate or incomplete;
- (iii) to object to the processing of his/her/its Personal Data;
- (iv) to restrict processing of his/her/its Personal Data;
- (v) to refuse at his/her/its own discretion to provide his/her/its Personal Data to the Company;
- (vi) to request the erasure of his/her/its Personal Data; and
- (vii) to request the portability of his/her/its Personal Data in accordance with the Data Protection Laws.

Shareholders should note in particular that a refusal to provide Personal Data to the Company may result in the Company being required to reject an application for Shares in the Company.

Shareholders may exercise these rights by contacting the Company at dataprotectionoffice@morganstanley.com. In addition to exercising these rights, Shareholders have a right to lodge a complaint in connection with matters concerning the processing and protection of Personal Data with the Company at dataprotectionoffice@morganstanley.com, without prejudice to their ability to submit a complaint to the National Commission for Data Protection in Luxembourg (the “CNPD”).

- c) For any Processing Purpose, the Company will delegate the processing of Personal Data, in accordance with the Data Protection Laws, to other parties, including its affiliates, the Management Company, the Investment Adviser, the Sub-Investment Adviser, the Administrator, the Domiciliary Agent, the Depositary and the Distributor, together with parties to which the Company and/or the Management Company may assign or novate Personal Data, in addition to national and international regulatory, enforcement or exchange bodies or courts anywhere in the world as required by applicable laws or at their request (each a “**Data Processor**”, and together the “**Data Processors**”).

A Data Processor may, subject to the approval of the Company, sub-delegate the processing of Personal Data (and, pursuant to such sub-delegation, the transfer thereof)

to its parent company or organization, affiliates, branch offices or third party agents (together, the “**Delegates**”).

The Data Processors named above are located in Luxembourg, with the exception of the Management Company, the Sub-Investment Adviser and the Distributor (which are located in the United Kingdom¹⁴) and the Investment Adviser (which is located in the United States of America). When Delegates are located in countries outside of the European Economic Area (EEA), and where data protection laws may not provide an equivalent level of protection, the Data Processor, with the supervision of the Company, will ensure (i) that it has put in place appropriate data transfer mechanisms, and (ii) if applicable, that the Delegate has put in place appropriate data transfer mechanisms, in each case such as European Commission Standard Contractual Clauses. Shareholders can obtain a copy of the relevant data transfer mechanism by contacting the Company at dataprotectionoffice@morganstanley.com.

The Company will disclose Personal Data to the Luxembourg tax authority, which in turn, acting as data controller, may disclose that Personal Data to foreign tax authorities.

- d) In compliance with the Data Protection Laws, the Company will retain Personal Data in an identifiable form in accordance with the Company’s information management policy which establishes general standards and procedures regarding the retention, handling and disposal of Personal Data. Personal Data shall not be retained for longer than is necessary with regard to the Processing Purposes, subject to any limitation periods imposed by law. Upon request, the Company will provide a Shareholder with more information on the exact retention periods applying to its Personal Data. The retention period may be extended in the sole discretion of the Company if the Company is required to preserve Personal Data in connection with litigation, regulatory investigations and legal proceedings.
- e) To the extent permitted by the Data Protection Laws, the Company and the Management Company (acting as “data controller” within the meaning of the Data Protection Laws) will access, review, disclose, intercept, monitor and record (together, “**Monitoring**”) (i) verbal and electronic messaging and communications (for example, and without limitation, telephone, sms, instant message, email, Bloomberg and any other electronic or recordable communications) with a Shareholder or Shareholders’ agent (together, “**Communications**”), and (ii) a Shareholder’s use of technology

¹⁴ With effect from 1 January 2019, the management company, the sub-investment adviser and the distributor will be located in Ireland.

owned, provided or made accessible by the Company and the Management Company, including (without limitation) systems that facilitate Communications with Shareholders, information processing, transmission, storage and access, including remote access (together, “**Systems**”).

To the extent permitted by the Data Protection Laws, the Company and the Management Company will subject Communications and Systems to Monitoring only for the following purposes (together, “**Monitoring Purposes**”):

1. to establish the existence of facts (e.g., keeping records of transactions);
2. to ascertain compliance with regulatory or self-regulatory practices or procedures which are applicable to the Company and/or the Management Company;
3. to ascertain or demonstrate standards which are achieved or ought to be achieved by persons using Systems, including compliance with any terms of use associated with Systems;
4. to prevent, detect or investigate crime, money laundering, fraud, financial crime and/or other breaches of applicable law;
5. to comply with applicable laws and regulations, any material contract and any applicable policies and procedures;
6. to safeguard against the loss, theft, unauthorised and unlawful collection, use, disclosure, destruction or other processing or misuse of confidential and proprietary information;
7. to prevent, detect or investigate unauthorised use of Systems and/or data (e.g., Monitoring to ensure compliance with the policies and procedures of the Company and/or the Management Company , including without limitation those relating to information security and cyber security);
8. to ensure the effective operation of Systems (including telephones, email and internet) systems;
9. for support and administration purposes;
10. to assist with investigations, complaints, requests by regulators and other persons, litigation, arbitration or mediation; and
11. in particular, in the course of the operational support and development of the business of the Company and/or the Management Company, such as to evaluate the quality of customer service, and efficiency, cost and risk management purposes.

Monitoring will be conducted by the Company and/or the Management Company using various methods, including: (i) the use of “intelligent” automated monitoring tools; (ii)

IT filtering tools which randomly review Systems; (iii) random monitoring of Systems, e.g. by authorised supervisors randomly joining on-going telephone calls on sales and trading floors; (iv) specific monitoring of Systems, e.g. in relation to investigations, regulatory requests, subject access requests, litigation, arbitration or mediation; (v) data tracking, aggregation and analysis tools that collect data from various sources to extrapolate linkages and/or detect behavioural patterns, interactions or preferences for analysis (including predictive analysis); and/or (vi) using other similar Monitoring technology that may become available from time to time.

The Company and/or the Management Company also use cookies and similar technologies to collect information about Shareholders as part of and/or in connection with services provided by them or in connection with any System owned or provided by them. By accessing or using services or a System, a Shareholder signifies his/her/its understanding that the Company and/or the Management Company will use such cookies and similar technologies as detailed in the Company's privacy policy, and that if the Shareholder chooses to reject such cookies, some or all parts of the services or the relevant System may not function properly or may not be accessible. To find out more about how the Company and/or the Management Company uses cookies and similar technologies, how the Company and/or the Management Company processes the information obtained through cookies, and how a Shareholder may reject cookies, see the Company's privacy policy at www.morganstanley.com/privacy_pledge.

- f) Any documentation or records relating to the Monitoring of Systems shall be *prima facie* evidence of any instructions, orders or communications that have been subjected to Monitoring, and Shareholders agree that such records shall be admissible as such in any legal proceedings. Furthermore, Shareholders confirm that they will not use, file, or cite as a reason for objecting to the admission of such records as evidence in any legal proceedings either that the records are not originals, or are not in writing, or are documents produced by a computer. The Company and/or the Management Company will retain such records in accordance with its operational procedures which may change from time to time in its absolute discretion; however, such records shall not be held by the Company for longer than is necessary with regard to the Monitoring Purposes, subject to any limitation periods imposed by law. Shareholders are hereby informed that this record keeping should not be deemed to be a substitute for his/her/its own keeping of adequate records in accordance with any applicable rules or regulations to which he/she/it is subject.
- g) If there are any products or services that the Company and/or the Management Company believes may be of particular interest to a Shareholder, whether provided or sponsored by the Company and/or the Management Company or their respective affiliates, or by third party investment services providers (for example, a fund manager or insurance service provider not affiliated with the Company, the Management Company or their respective affiliates), the Company, the Management Company or

their respective affiliates may contact that Shareholder (by means which may include mail, email, sms and telephone), including outside standard working hours. When required by the Data Protection Laws, a Shareholder's prior consent will be requested before its Personal Data is used to make or facilitate direct marketing of this nature. If a Shareholder does not wish the Company, the Management Company or their respective affiliates to use its Personal Data in this way, or does not wish to provide Personal Data for such direct marketing purposes, the Shareholder may notify the Company, the Management Company or their respective affiliates at any time in accordance with section (b) above or as directed in any marketing materials that may be received by Shareholders. Please note that if a Shareholder does not wish to be contacted for such purposes, the Company, the Management Company or their respective affiliates may need or be required to limit the range of products and services which they will offer or be able to offer to that Shareholder, or may not be able to open an account for that Shareholder or continue their relationship with that Shareholder. In this respect, each Shareholder has a right to object to the use of his/her/its Personal Data for marketing purposes. This objection must be made in writing by letter addressed to the Company, the Management Company or their respective affiliates at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, or at cslux@morganstanley.com.

- h) Before providing the Company and/or the Management Company with access to, or permitting any access to, or permitting the processing of, Personal Data which contains any data regarding an individual in connection with this Prospectus, a Shareholder should ensure that: (i) the individual understands that the Shareholder will be providing their Personal Data to the Company, the Management Company or their respective affiliates; (ii) the individual has been provided with the information set out herein regarding the collection, use, processing, disclosure and overseas transfer of Personal Data, the use of Personal Data for direct marketing purposes, and the possibility of monitoring or recording of their or their agent's communications by the Company, the Management Company or their respective affiliates (in each case if permitted by the Data Protection Laws); (iii) if required, the individual has provided their consent to the processing by the Company, the Management Company or their respective affiliates of their Personal Data or that another legal basis to process Personal Data is satisfied; and (iv) the individual is aware of their data protection rights and how to exercise these.

APPENDIX 3 – Additional Information for Qualified Investors in Switzerland

The Company, including all of its Funds, has not been and shall not be approved by the Swiss Financial Market Supervisory Authority (“FINMA”) for distribution to non-qualified investors pursuant to Article 120 Para. 1 of the Swiss Collective Investment Schemes Act of 23 June 2006 (the “CISA”), as amended. Accordingly, the Company is not subject to the supervision of the FINMA and investors do not benefit from the investor protection granted by the CISA. The Shares of the Company may only be distributed to qualified investors in Switzerland as defined in the CISA and its implementing ordinance as well as implementing regulations issued by the FINMA from time to time (“Qualified Investors”). Further, the Company may be sold under the exemptions of Article 3 para. 2 CISA.

1. Representative in Switzerland:

The representative in Switzerland is **CARNEGIE FUND SERVICES S.A.**, 11, rue du Général-Dufour, 1204 Geneva, Switzerland (Mailing address: PO Box 5842, 1211 Geneva 11), tel.: + 41 (0)22 705 11 77, fax: + 41 (0)22 705 11 79.

2. Paying Agent in Switzerland:

The paying agent in Switzerland is **BANQUE CANTONALE DE GENÈVE**, 17, quai de l’Ile, 1204 Geneva, Switzerland.

3. Place where the relevant documents may be obtained

The Prospectus, the Key Investor Information Documents, the Articles of Incorporation as well as the annual and semi-annual reports of the Company, and further information may be obtained free of charge from the Representative.

4. Payment of retrocessions and rebates

4.1. Retrocessions

The Management Company and its agents may pay retrocessions to eligible third parties for distribution activities in respect of Shares in and from Switzerland. This remuneration may be deemed payment to such third parties in respect of all activities whose object is, whether directly or indirectly, the purchase of Shares by an investor including, as non-exhaustive examples:

- sales promotions;
- organization of road shows,/fund fairs;
- introductions to and with investors;
- arrangement of meetings;
- investor due diligence, etc

In the event that a recipient of retrocessions forwards such retrocessions to investors (entirely or partly), the retrocessions shall not qualify as rebates.

The recipients of the retrocessions must ensure transparent disclosure. They must inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, they must disclose the amounts they actually receive for the distribution of the collective investment schemes held by the investors concerned.

4.2. Rebates

In the case of distribution activity in or from Switzerland, the Management Company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question.

Rebates are permitted provided that (i) they are paid from fees received by the Management Company or its agents and therefore do not represent an additional charge on the fund assets, (ii) they are granted on the basis of objective criteria, and (iii) all investors who meet these objective criteria and demand rebates are also granted such rebates within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Distributor and its affiliates are as follows:

- The size of the investment in question;
- The investment behaviour of the investor, including the expected investment holding period and the expectation of further investments in the future;
- The aggregate size of all of the investor's investments in Morgan Stanley fund products and separately managed accounts;
- The strength and depth of the investor's relationship with the Morgan Stanley group;
- Whether or not the investor has an advisory or discretionary management relationship with a consultant or other intermediary with whom the Distributor or its agents have a contractual relationship;
- The particular sub-fund in which the investor has invested;
- The value of the assets of the relevant sub-fund and whether the sub-fund is at or near to its optimal size; and
- The age of the sub-fund and/or the investment strategy to which it relates.

Upon request by the investor the Company and its affiliates shall disclose the respective extent of the rebates free of charge.

5. Place of performance and Place of jurisdiction

In respect of the Shares distributed in or from Switzerland, the place of performance and the place of jurisdiction are at the registered office of the Representative in Switzerland.