

AIP MULTI-STRATEGY FUND A

Financial Statements with Report of  
Independent Registered Public Accounting Firm

For the Year Ended December 31, 2016

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**AIP Multi-Strategy Fund A**  
**Financial Statements with Report of**  
**Independent Registered Public Accounting Firm**  
**For the Year Ended December 31, 2016**

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## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of  
AIP Multi-Strategy Fund A

We have audited the accompanying statement of assets and liabilities of AIP Multi-Strategy Fund A (the "Fund"), including the schedule of investments, as of December 31, 2016, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of investments owned as of December 31, 2016, by correspondence with the custodian, management of the investment funds and others. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of AIP Multi-Strategy Fund A at December 31, 2016, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

Philadelphia, Pennsylvania  
February 28, 2017

**AIP Multi-Strategy Fund A**  
**Statement of Assets and Liabilities**  
**December 31, 2016**

**Assets**

Investments in investment funds, at fair value (cost \$64,705,002)	\$	79,548,203
Cash		360,822
Prepaid investments in investment funds		1,000,000
Receivable for investments sold		9,348,142
Other assets		2,322
Total assets		<u>90,259,489</u>

**Liabilities**

Line of credit payable		14,690,000
Payable for share repurchases		7,792,772
Subscriptions received in advance		670,000
Management fee payable		183,751
Accrued expenses and other liabilities		191,551
Total liabilities		<u>23,528,074</u>
Net assets	\$	<u>66,731,415</u>

## Net assets consist of:

Net capital	\$	68,248,607
Distribution in excess of net investment income (loss)		(14,012,672)
Accumulated net realized gain (loss) from investments		(2,347,721)
Net unrealized appreciation on investments		14,843,201
Net assets	\$	<u>66,731,415</u>

## Net asset value per share:

67,422.356 shares issued and outstanding, no par value,		
3,000,000 registered shares	\$	989.75

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

**AIP Multi-Strategy Fund A**  
**Statement of Operations**  
**For the Year Ended December 31, 2016**

**Expenses**

Management fees	\$ 675,085
Interest expense	299,213
Professional fees	137,961
Transfer agent fees	47,806
Accounting and administration fees	45,434
Registration fees	37,309
Custody fees	30,153
Trustees' fees	8,815
Other	47,168
Net expenses	<u>1,328,944</u>
Net investment income (loss)	<u>(1,328,944)</u>

**Realized and unrealized gain (loss) from investments**

Net realized gain (loss) from investments in investment funds	<u>2,580,641</u>
Net realized gain (loss) from investments	<u>2,580,641</u>

Net change in unrealized appreciation/depreciation on investments in investment funds	<u>393,181</u>
Net change in unrealized appreciation/depreciation on investments	<u>393,181</u>

Net realized and unrealized gain (loss) from investments	<u>2,973,822</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 1,644,878</u>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

## AIP Multi-Strategy Fund A

### Statements of Changes in Net Assets

#### For the year ended December 31, 2015

##### Net increase (decrease) in net assets resulting from operations:

Net investment income (loss)	\$ (1,419,165)
Net realized gain (loss) from investments	2,806,995
Net change in unrealized appreciation/depreciation on investments	(201,514)
Net increase (decrease) in net assets resulting from operations	<u>1,186,316</u>

##### Distributions to shareholders from:

Net investment income	<u>(2,298,853)</u>
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##### Shareholder transactions

Subscriptions (representing 13,032.355 shares)	13,295,000
Distributions reinvested (representing 2,327.334 shares)	2,285,772
Repurchases (representing 7,344.477 shares)	(7,464,822)
Net increase (decrease) in net assets from shareholder transactions	<u>8,115,950</u>

Total increase (decrease) in net assets	7,003,413
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Net assets, beginning of year (representing 65,315.399 shares)	65,219,630
Net assets, end of year (representing 73,330.611 shares)	<u>\$ 72,223,043</u>

#### For the year ended December 31, 2016

##### Net increase (decrease) in net assets resulting from operations:

Net investment income (loss)	\$ (1,328,944)
Net realized gain (loss) from investments	2,580,641
Net change in unrealized appreciation/depreciation on investments	393,181
Net increase (decrease) in net assets resulting from operations	<u>1,644,878</u>

##### Distributions to shareholders from:

Net investment income	<u>(1,267,541)</u>
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##### Shareholder transactions

Subscriptions (representing 33,328.168 shares)	32,267,267
Distributions reinvested (representing 1,279.908 shares)	1,260,482
Repurchases (representing 40,516.331 shares)	(39,396,714)
Net increase (decrease) in net assets from shareholder transactions	<u>(5,868,965)</u>

Total increase (decrease) in net assets	(5,491,628)
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Net assets, beginning of year (representing 73,330.611 shares)	72,223,043
Net assets, end of year (representing 67,422.356 shares)	<u>\$ 66,731,415</u>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

## AIP Multi-Strategy Fund A

### Statement of Cash Flows

### For the Year Ended December 31, 2016

#### Cash flows from operating activities

Net increase (decrease) in net assets resulting from operations	\$ 1,644,878
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:	
Net realized (gain) loss from investments in investment funds	(2,580,641)
Net change in unrealized appreciation/depreciation on investments in investment funds	(393,181)
Purchase of investments in investment funds	(18,270,703)
Proceeds from sales of investments in investment funds	18,118,569
(Increase) decrease in prepaid investments in investment funds	4,000,000
(Increase) decrease in receivable for investments sold	(1,091,849)
(Increase) decrease in other assets	(369)
Increase (decrease) in management fee payable	8,472
Increase (decrease) in accrued expenses and other liabilities	55,993
Net cash provided by (used in) operating activities	<u>1,491,169</u>

#### Cash flows from financing activities

Proceeds from advances on line of credit	16,350,000
Repayments of advances on line of credit	(17,580,000)
Subscriptions	32,365,267
Distributions	(7,059)
Repurchases	(33,083,770)
Net cash provided by (used in) financing activities	<u>(1,955,562)</u>

Net change in cash	(464,393)
Cash at beginning of year	825,215
Cash at end of year	<u>\$ 360,822</u>

#### Supplemental disclosure of cash flow information:

Cash paid during the year for interest	<u>\$ 291,751</u>
Conversion to shareholder subscriptions in 2016 of subscriptions received in advance during 2015	<u>\$ 572,000</u>
Distributions reinvested	<u>\$ 1,260,482</u>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

## AIP Multi-Strategy Fund A

### Schedule of Investments

### December 31, 2016

Description	First Acquisition Date	Cost	Fair Value	Percent of Investment Fund Held *	Percent of Net Assets	Next Available Redemption Date **	Liquidity ***
Investment Funds							
Commodity Trading Advisors - Managed Futures							
Teza Offshore Fund V, Ltd.	2/1/2016	\$ 1,725,000	\$ 1,323,252	0.66 %	1.98 %	1/31/2017	Monthly
Two Sigma Absolute Return Macro Cayman Fund, Ltd.	7/1/2014	2,057,493	2,258,836	0.36	3.39	1/31/2017	Monthly
Total Commodity Trading Advisors - Managed Futures		3,782,493	3,582,088		5.37		
Distressed							
York Credit Opportunities Unit Trust	5/1/2010	1,600,000	2,082,387	0.10	3.12	4/30/2017	Annually
Total Distressed		1,600,000	2,082,387		3.12		
Equity Long/Short - High Hedge							
Citadel Tactical Trading Ltd.	7/1/2010	500,183	1,305,935	0.24	1.96	3/31/2017	Quarterly
Millennium International, Ltd.	5/1/2010	2,225,534	3,668,417	0.02	5.49	3/31/2017	Quarterly
Visium Balanced Offshore Fund, Ltd.	3/1/2011	57,055	70,458	0.05	0.11	3/31/2017	Quarterly
Total Equity Long/Short - High Hedge		2,782,772	5,044,810		7.56		
Equity Long/Short - Opportunistic							
Anchor Bolt Offshore Fund, Ltd.	1/1/2014	1,972,111	2,419,521	0.17	3.63	3/31/2017	Quarterly
Pelham Long/Short Small Cap Fund Ltd	7/1/2015	1,975,000	2,278,530	0.38	3.41	3/31/2017	Quarterly
Pennant Windward Fund, Ltd.	12/1/2015	2,459,342	2,269,467	0.16	3.40	3/31/2017	Quarterly
Pleiad Asia Offshore Feeder Fund	8/1/2015	2,400,000	2,298,341	0.23	3.44	3/31/2017	Quarterly
Quentec Fund, Ltd.	11/1/2012	1,075,124	1,489,047	0.33	2.23	3/31/2017	Quarterly
Scopus Partners II, L.P.	4/1/2015	1,875,892	1,953,715	0.26	2.93	3/31/2017	Quarterly
Valinor Capital Partners Offshore, Ltd.	8/1/2016	2,100,000	2,193,917	0.10	3.29	9/30/2017	Quarterly
Total Equity Long/Short - Opportunistic		13,857,469	14,902,538		22.33		
Event Driven Equity							
Sachem Head Offshore Ltd.	11/1/2014	1,713,539	1,927,478	0.10	2.89	3/31/2017	Quarterly
Total Event Driven Equity		1,713,539	1,927,478		2.89		

The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.



# AIP Multi-Strategy Fund A

## Schedule of Investments (continued)

### December 31, 2016

Description	First Acquisition Date	Cost	Fair Value	Percent of Investment Fund Held *	Percent of Net Assets	Next Available Redemption Date **	Liquidity ***
Investment Funds (continued)							
Macro							
Autonomy Global Macro Fund Limited	11/1/2014	\$ 1,900,000	\$ 2,308,296	0.10 %	3.46 %	2/28/2017	Monthly
D.E. Shaw Oculus International Fund	5/1/2010	2,550,000	3,496,070	0.05	5.24	3/31/2017	Quarterly
Discovery Global Opportunity Fund, Ltd.	5/1/2010	1,250,000	1,974,850	0.08	2.96	6/30/2017	Semi-Annually
Key Square International Fund Ltd	4/1/2016	2,500,000	2,760,035	3.46	4.14	3/31/2017	Quarterly
Rokos Global Macro Fund Limited	2/1/2016	825,000	967,781	0.02	1.45	3/31/2017	Monthly
Stone Milliner Macro Fund Inc.	12/1/2013	1,722,358	2,216,873	0.08	3.32	3/31/2017	Monthly
Total Macro		10,747,358	13,723,905		20.57		
Mortgage Arbitrage							
Cerberus CMBS Opportunities Feeder Fund, Ltd.	6/1/2015	2,475,000	2,486,598	1.35	3.73	3/31/2017	Quarterly
Cerberus Global Residential Mortgage Opportunity Feeder Fund, Ltd.	1/1/2012	1,513,894	2,318,590	0.27	3.47	3/31/2017	Quarterly
Midway Market Neutral Institutional Fund LLC	4/1/2013	1,386,868	1,700,810	0.87	2.55	3/31/2017	Monthly
Rimrock Structured Product (Cayman) Fund, Ltd.	5/1/2015	1,722,763	1,901,158	0.99	2.85	3/31/2017	Quarterly & Annually
Shelter Growth Opportunities Fund Ltd.	10/1/2015	2,475,000	2,839,150	0.71	4.25	3/31/2017	Quarterly
Tilden Park Offshore Investment Fund Ltd.	3/1/2012	1,659,317	3,010,853	0.15	4.51	3/31/2017	Quarterly
Total Mortgage Arbitrage		11,232,842	14,257,159		21.36		
Multi-Strategy							
Citadel Kensington Global Strategies Fund Ltd.	11/1/2011	1,901,649	3,499,113	0.03	5.24	3/31/2017	Quarterly & 18 Months
HBK Multi-Strategy Offshore Fund Ltd.	5/1/2010	1,897,343	2,521,855	0.05	3.78	3/31/2017	Quarterly
QVT Offshore Ltd.	1/1/2014	2,153,552	2,422,164	0.21	3.63	3/31/2017	Quarterly
Total Multi-Strategy		5,952,544	8,443,132		12.65		

The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.

# AIP Multi-Strategy Fund A

## Schedule of Investments (continued)

### December 31, 2016

Description	First Acquisition Date	Cost	Fair Value	Percent of Investment Fund Held *	Percent of Net Assets	Next Available Redemption Date **	Liquidity ***
Investment Funds (continued)							
Private Placements							
QVT Roiv Hldgs Offshore Ltd.	1/1/2016	\$ 246,448	\$ 283,593	0.19 %	0.43 %	(a)	(a)
Total Private Placements		<u>246,448</u>	<u>283,593</u>		<u>0.43</u>		
Statistical Arbitrage							
D.E. Shaw Valence International Fund, L.P.	1/1/2016	5,000,000	5,568,623	0.40	8.35	3/31/2017	Quarterly
GSA International Fund Limited	2/1/2011	1,113,539	1,697,926	0.29	2.54	3/31/2017	Quarterly
GSA QMS Fund Limited	2/1/2016	1,595,703	1,605,160	0.08	2.41	3/31/2017	Monthly & Quarterly
OxAm Quant Fund (International) Limited	3/1/2015	2,400,000	2,252,929	0.06	3.38	1/31/2017	Monthly
Two Sigma Eclipse Cayman Fund, Ltd.	4/1/2011	643,446	1,170,492	0.51	1.75	3/31/2017	Quarterly
Two Sigma Spectrum Cayman Fund, Ltd.	5/1/2010	2,036,849	3,005,983	0.09	4.50	3/31/2017	Quarterly
Total Statistical Arbitrage		<u>12,789,537</u>	<u>15,301,113</u>		<u>22.93</u>		
Total Investments in Investment Funds		<u>\$ 64,705,002</u>	<u>79,548,203</u>		<u>119.21</u>		
Liabilities in excess of Other Assets			<u>(12,816,788)</u>		<u>(19.21)</u>		
Total Net Assets			<u>\$ 66,731,415</u>		<u>100.00 %</u>		

Detailed information about all of the Investment Funds' portfolios is not available. Investment Funds are non-income producing.

\* May represent percentage ownership of a feeder Investment Fund, which in turn invests in a master Investment Fund. May not reflect year-ended redemptions at Investment Funds.

\*\* Investments in Investment Funds may be composed of multiple tranches. The Next Available Redemption Date relates to the earliest date after December 31, 2016 that redemption from a tranche is available. Other tranches may have an available redemption date that is after the Next Available Redemption Date. Redemptions from Investment Funds may be subject to fees.

\*\*\* Available frequency of redemptions after initial lock-up period, if any. Different tranches may have different liquidity terms.

(a) A portion or all of the Fund's interests in the Investment Fund have restricted liquidity. In addition to any redemption proceeds that may have already been received, the Fund will continue to receive proceeds periodically as the Investment Fund is able to liquidate underlying investments.

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

**AIP Multi-Strategy Fund A**  
**Schedule of Investments (continued)**  
**December 31, 2016**

<b>Strategy Allocation</b>	<b>Percent of Net Assets</b>
Statistical Arbitrage	22.93 %
Equity Long/Short - Opportunistic	22.33
Mortgage Arbitrage	21.36
Macro	20.57
Multi-Strategy	12.65
Equity Long/Short - High Hedge	7.56
Commodity Trading Advisors - Managed Futures	5.37
Distressed	3.12
Event Driven Equity	2.89
Private Placements	0.43
Total Investments in Investment Funds	<u>119.21 %</u>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

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## **AIP Multi-Strategy Fund A**

### **Notes to Financial Statements**

### **December 31, 2016**

#### **1. Organization**

AIP Multi-Strategy Fund A (the “Fund”) was organized under the laws of the State of Delaware as a statutory trust on February 27, 2008. The Fund commenced operations on May 1, 2010 and operates pursuant to an Agreement and Declaration of Trust (the “Trust Deed”). The Fund is registered under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”), as a closed-end, non-diversified management investment company. While non-diversified for 1940 Act purposes, the Fund intends to comply with the diversification requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), as such requirements are described in more detail below. The Fund’s investment objective is to seek long-term capital appreciation principally through investing in investment funds (“Investment Funds”) managed by third party investment managers who primarily employ a variety of investment strategies in pursuit of attractive risk-adjusted returns consistent with the preservation of capital. These investment strategies allow investment managers the flexibility to use leveraged or short-sale positions to take advantage of perceived inefficiencies across the global capital markets. The Fund may seek to gain investment exposure to certain Investment Funds or to adjust market or risk exposure by entering into derivative transactions, such as total return swaps, options and futures.

Morgan Stanley AIP GP LP serves as the Fund’s investment adviser (the “Investment Adviser”) and Morgan Stanley Investment Management Limited serves as the Fund’s sub-adviser (the “Sub-Adviser”) (collectively with the Investment Adviser, the “Adviser”). The Adviser is responsible for providing day-to-day investment management services to the Fund, subject to the supervision of the Fund’s Board of Trustees (the “Board”). Each of the Investment Adviser and Sub-Adviser is an affiliate of Morgan Stanley and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Fund has no fixed termination date and will continue unless the Fund is otherwise terminated under the terms of the Trust Deed or unless and until required by law.

The Fund is a “Master” fund in a “Master-Feeder” structure whereby the feeder fund invests substantially all of its assets in the Fund. As of December 31, 2016, AIP Multi-Strategy Fund P, a feeder fund to the Fund, represented 43.86% of the Fund’s net assets.

The Board has overall responsibility for monitoring and overseeing the Fund’s investment program and its management and operations. A majority of the members of the Board are not “interested persons” (as defined by the 1940 Act) of the Fund, the Investment Adviser or the Sub-Adviser.

The Fund offers on a continuous basis through Morgan Stanley Distribution, Inc. (the “Distributor”), an affiliate of Morgan Stanley, up to 3,000,000 shares of beneficial interest (“Shares”). The initial closing date (“Initial Closing Date”) for the public offering of Shares was May 3, 2010. Shares were offered during an initial public offering period which ended on the Initial Closing Date at an initial offering price of \$1,000 per Share and have been offered in a continuous offering thereafter at the Fund’s then current net asset value per Share. Investors purchasing Shares in the Fund (“Shareholders”) will not be charged a sales load. Shares may be purchased as of the first day of each month from the Distributor at the Fund’s then current net asset value per Share or through any registered investment adviser (a “RIA”) that

## **AIP Multi-Strategy Fund A**

### **Notes to Financial Statements (continued)**

#### **1. Organization (continued)**

has entered into an arrangement with the Distributor for such RIA to recommend Shares to its clients in conjunction with a “wrap” fee, asset allocation or other managed asset program sponsored by such RIA.

Shares are to be sold only to Shareholders that represent that they are “accredited investors” within the meaning of Rule 501(a) of Regulation D promulgated under the U.S. Securities Act of 1933, as amended. The minimum initial investment in the Fund by any Shareholder is \$50,000. The minimum additional investment in the Fund by any Shareholder is \$25,000. The minimum initial and additional investments may be reduced by the Fund with respect to certain Shareholders. Shareholders may only purchase their Shares through the Distributor or a RIA. Any RIA who recommends Shares to its clients may impose additional eligibility requirements on investors who purchase Shares through such RIA.

The Fund may from time to time offer to repurchase Shares (or portions of them) at net asset value pursuant to written tenders by Shareholders, and each such repurchase offer will generally apply to up to 15% of the net assets of the Fund. Repurchases will be made at such times, in such amounts and on such terms as may be determined by the Board, in its sole discretion. In determining whether the Fund should offer to repurchase Shares (or portions of them) from Shareholders, the Board will consider the recommendations of the Adviser as to the timing of such offer, as well as a variety of operational, business and economic factors. The Adviser expects that, generally, it will recommend to the Board that the Fund offer to repurchase Shares (or portions of them) from Shareholders quarterly, on each March 31, June 30, September 30 and December 31. In general, the Fund will initially pay at least 90% of the estimated value of the repurchased Shares to Shareholders as of the later of: (1) a period of within 30 days after the value of the Shares to be repurchased is determined, or (2) if the Fund has requested withdrawals of its capital from any Investment Funds in order to fund the repurchase of Shares, within ten business days after the Fund has received at least 90% of the aggregate amount withdrawn by the Fund from such Investment Funds. The remaining amount (the “Holdback Amount”) will be paid promptly after completion of the annual audit of the Fund and preparation of the Fund’s audited financial statements. As of December 31, 2016, the Holdback Amount was \$526,276, which includes any Holdback Amount for repurchases as of December 31, 2016, and is included in payable for share repurchases in the Statement of Assets and Liabilities.

#### **2. Significant Accounting Policies**

The following significant accounting policies are in conformity with U.S. generally accepted accounting principles (“US GAAP”). Such policies are consistently followed by the Fund in preparation of its financial statements. Management has determined that the Fund is an investment company in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services – Investment Companies,” for the purpose of financial reporting. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

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## **AIP Multi-Strategy Fund A**

### **Notes to Financial Statements (continued)**

#### **2. Significant Accounting Policies (continued)**

##### **Portfolio Valuation**

The net asset value of the Fund is determined as of the close of business at the end of any fiscal period, generally monthly, in accordance with the valuation principles set forth below or as may be determined from time to time pursuant to policies established by the Board.

As of December 31, 2016, 100% of the Fund's portfolio was comprised of investments in Investment Funds.

The Board has approved procedures pursuant to which the Fund values its investments in Investment Funds at fair value, which ordinarily will be the amount equal to the Fund's pro rata interest in the net asset value of each such Investment Fund ("NAV"), as such value is supplied by, or on behalf of, the Investment Fund's investment manager from time to time, usually monthly. Values received from, or on behalf of, the Investment Funds' respective investment managers are typically estimates only, subject to subsequent revision by such investment managers. Such values are generally net of management fees and performance incentive fees or allocations payable to the Investment Funds' managers or general partners pursuant to the Investment Funds' operating agreements. The Investment Funds value their underlying investments in accordance with policies established by each Investment Fund, as described in each of their financial statements or offering memoranda. The Fund's investments in Investment Funds are subject to the terms and conditions of the respective operating agreements and offering memoranda, as appropriate.

Some of the Investment Funds may hold a portion of their assets in "side pockets," which are sub-funds within the Investment Funds that have restricted liquidity, potentially extending over a much longer period than the typical liquidity an investment in the Investment Funds may provide. Should the Fund seek to liquidate its investment in an Investment Fund that maintains these side pockets, the Fund might not be able to fully liquidate its investment without delay, which could be considerable. In such cases, until the Fund is permitted to fully liquidate its interest in the Investment Fund, the fair value of its investment could fluctuate based on adjustments to the value of the side pocket as determined by the Investment Fund's investment manager. At December 31, 2016, \$283,593 of the Fund's net assets were invested in side pockets maintained by the Investment Funds.

The Adviser has designed ongoing due diligence processes with respect to Investment Funds and their investment managers, which assist the Adviser in assessing the quality of information provided by, or on behalf of, each Investment Fund and in determining whether such information continues to be reliable or whether further investigation is necessary. Such investigation, as applicable, may or may not require the Adviser to forego its normal reliance on the value supplied by, or on behalf of, such Investment Fund and to determine independently the fair value of the Fund's interest in such Investment Fund, consistent with the Fund's fair valuation procedures.

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**AIP Multi-Strategy Fund A**  
**Notes to Financial Statements (continued)****2. Significant Accounting Policies (continued)****Portfolio Valuation (continued)**

Where no value is readily available from an Investment Fund or where a value supplied by an Investment Fund is deemed by the Adviser not to be indicative of its fair value, the Adviser will determine the fair value of the Investment Fund. In order to determine the fair value of these Investment Funds, the Adviser has established the Fund of Hedge Funds Valuation Committee (the “Valuation Committee”). The Valuation Committee is responsible for determining and implementing the Fund’s valuation policies and procedures, which have been adopted by the Board, and are subject to Board supervision. The Valuation Committee consists of voting members from Morgan Stanley’s accounting, financial reporting and risk management groups, and non-voting members from portfolio management, legal and compliance groups. A member of the portfolio management team may attend each Valuation Committee meeting to provide knowledge, insight, and recommendations on valuation issues. The portfolio management team will recommend to the Valuation Committee a fair value for an investment using valuation techniques such as a market approach or income approach. In applying these valuation techniques, the portfolio management team uses their knowledge of the Investment Fund, industry expertise, information obtained through communication with the Investment Fund’s investment manager, and available relevant information as it considers material. After consideration of the portfolio management team’s recommendation, the Valuation Committee will determine, in good faith, the fair value of the Investment Fund. The Valuation Committee shall meet at least annually to analyze changes in fair value measurements. Because of the inherent uncertainty of valuation, the fair values of the Fund’s investments may differ significantly from the values that would have been used had a ready market for these Investment Funds held by the Fund been available.

**Income Recognition and Expenses**

The Fund recognizes income and records expenses on an accrual basis. Income, expenses and realized and unrealized gains and losses are recorded monthly. The changes in Investment Funds’ fair values are included in net change in unrealized appreciation/depreciation on investments in Investment Funds in the Statement of Operations. Realized gain (loss) from investments in Investment Funds is calculated using specific identification.

**Income Taxes**

The Fund intends to comply with the requirements of Subchapter M of the Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its Shareholders. Therefore, no provision for federal income taxes is required. The Fund files tax returns with the U.S. Internal Revenue Service and various states. The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income earned or gains realized or repatriated. Taxes are accrued and applied to net investment income, net realized capital gains and net unrealized appreciation, as applicable, as the income is earned or capital gains are recorded. The Fund has concluded there are no significant uncertain tax positions that would require recognition in the financial statements

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 2. Significant Accounting Policies (continued)

##### Income Taxes (continued)

as of December 31, 2016. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in other expenses in the Statement of Operations. Generally, open tax years under potential examination vary by jurisdiction, but at least each of the tax years in the four-year period ended December 31, 2016 remains subject to examination by major taxing authorities.

At December 31, 2016, the Fund had available for Federal income tax purposes capital loss carryforwards which will expire on the indicated dates:

Expiration	Amount
December 31, 2018	\$ <u>8,261</u>

At December 31, 2016, the Fund had available for Federal income tax purposes unused capital losses of \$2,355,106 that will not expire.

To the extent that capital loss carryforwards are used to offset any future capital gains realized during the carryover period as provided by U.S. Federal income tax regulations, no capital gains tax liability will be incurred by a fund for gains realized and not distributed. To the extent that capital gains are offset, such gains will not be distributed to the Shareholders.

At December 31, 2016, the cost and related gross unrealized appreciation and depreciation for tax purposes were as follows:

Cost of investments for tax purposes	\$ <u>79,415,114</u>
Gross tax unrealized appreciation	\$ <u>976,033</u>
Gross tax unrealized depreciation	<u>(842,944)</u>
Net tax unrealized appreciation/depreciation on investments	\$ <u>133,089</u>



## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 2. Significant Accounting Policies (continued)

##### Distribution of Income and Gains

The Fund declares and pays dividends annually from net investment income. Net realized gains, if any, are distributed at least annually. Distributions from net realized gains for book purposes may include short-term capital gains, which are included as ordinary income for tax purposes.

In order to satisfy the diversification requirements under Subchapter M of the Code, the Fund generally invests its assets in Investment Funds organized outside the United States that are treated as corporations for U.S. tax purposes and are expected to be classified as passive foreign investment companies ("PFICs"). As such, the Fund expects that distributions generally will be taxable as ordinary income to the Shareholders.

Pursuant to the dividend reinvestment plan established by the Fund (the "DRIP"), each Shareholder whose Shares are registered in its own name will automatically be a participant under the DRIP and have all income, dividends and capital gains distributions automatically reinvested in additional Shares unless such Shareholder specifically elects to receive all income, dividends and capital gain distributions in cash.

The tax character of distributions paid may differ from character of distributions shown in the Statements of Changes in Net Assets due to short-term capital gains being treated as ordinary income for tax purposes.

The tax character of distributions paid during the year ended 2016 and 2015 was as follows:

	December 31, 2016	December 31, 2015
Distributions paid from:		
Ordinary income	\$ 1,267,541	\$ 2,298,853

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from US GAAP. These book/tax differences are considered either temporary or permanent in nature.

Temporary differences are primarily due to differing book and tax treatments in the timing of the recognition of gains (losses) on certain investment transactions and the timing of the deductibility of certain expenses.

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 2. Significant Accounting Policies (continued)

##### Distribution of Income and Gains (continued)

Permanent differences, primarily due to tax adjustments on PFICs sold by the Fund resulted in the following reclassifications among the Fund's components of net assets at December 31, 2016.

Accumulated undistributed net investment income (loss)	\$ 2,643,154
Accumulated net realized gain (loss)	\$ (2,643,154)
Net capital	\$ -

As of December 31, 2016, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 886,823
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#### 3. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Investment Funds in which the Fund invests may trade various financial instruments and enter into various investment activities with off-balance sheet risk. These include, but are not limited to, short selling activities, written option contracts, and swaps. The Fund's risk of loss in each Investment Fund is limited to the value of the Fund's interest in each Investment Fund as reported by the Fund.

#### 4. Fair Value of Financial Instruments

The fair value of the Fund's assets and liabilities that qualify as financial instruments approximates the carrying amounts presented in the Statement of Assets and Liabilities. Fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. The Fund uses a three-tier hierarchy to distinguish between (a) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (b) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the fair value of the Fund's investments.

The inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments), or short-term investments that are valued at amortized cost
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 4. Fair Value of Financial Instruments (continued)

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The units of account that are valued by the Fund are its interests in the Investment Funds or other financial instruments and not the underlying holdings of such Investment Funds or other financial instruments. Thus, the inputs used by the Fund to value its investments in each of the Investment Funds or other financial instruments may differ from the inputs used to value the underlying holdings of such Investment Funds or other financial instruments.

The Fund's policy is to recognize transfers between Levels 1, 2, or 3 and transfers due to strategy reclassification, if any, as if they occurred as of the beginning of the reporting period. For the year ended December 31, 2016, the Fund did not have any transfers between Levels 1, 2, or 3.

As of December 31, 2016, all of the investments in Investment Funds are fair valued using the NAV as practical expedient and are therefore excluded from the fair value hierarchy.

#### 5. Investments in Investment Funds

The following table summarizes the fair value and liquidity terms of the Investment Funds as of December 31, 2016, aggregated by investment strategy:

Investment Funds	Fair Value	Redemption Frequency (if applicable)	Redemption Notice Period (if applicable)
Commodity Trading Advisors			
- Managed Futures <sup>(a)</sup>	\$ 3,582,088	Monthly	15-30 days
Distressed <sup>(b)</sup>	2,082,387	Annually	60 days
Equity Long/Short - High Hedge <sup>(c)</sup>	5,044,810	Quarterly	45-90 days
Equity Long/Short - Opportunistic <sup>(d)</sup>	14,902,538	Quarterly	45-90 days
Event Driven Equity <sup>(e)</sup>	1,927,478	Quarterly	65 days
Macro <sup>(f)</sup>	13,723,905	Monthly to Semi-annually	60-90 days
Mortgage Arbitrage <sup>(g)</sup>	14,257,159	Monthly to Annually	45-120 days
Multi-Strategy <sup>(h)</sup>	8,443,132	Quarterly to 18 months	45-90 days
Private Placements <sup>(i)</sup>	283,593	Not Applicable	Not Applicable
Statistical Arbitrage <sup>(j)</sup>	15,301,113	Monthly to Quarterly	30-90 days
<b>Total Investment Funds</b>	<b>\$ 79,548,203</b>		

(a) An Investment Fund in this strategy invests in a variety of futures contracts, including currencies, interest rates, stocks, stock market indexes, derivatives, and commodities. These Investment Funds build quantitative models to price futures and then take long and short positions in the futures.

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 5. Investments in Investment Funds (continued)

- (b) *An Investment Fund in this strategy invests in, and may sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation such as a bankruptcy or corporate restructuring.*
- (c) *Investment Funds in this strategy seek to profit by exploiting pricing inefficiencies between related equity securities, neutralizing exposure to market risk by combining long and short positions.*
- (d) *Investment Funds in this strategy consist of a core holding of long equities hedged at all times with short sales of stocks or stock index options. Some of the Investment Funds' respective investment managers maintain a substantial portion of assets within a hedged structure and commonly employ leverage.*
- (e) *Investment Funds in this strategy invest in restructuring companies that are undergoing significant corporate events such as spin-offs, recapitalizations, litigation events, strategic realignment, and other major changes. It also includes "value" investments in securities that are believed to be underpriced relative to their intrinsic or fundamental value or which are expected to appreciate in value if circumstances change or an anticipated event occurs.*
- (f) *Investment Funds in this strategy invest by making leveraged bets on anticipated price movements of stock markets, interest rates, foreign exchange and physical commodities.*
- (g) *Investment Funds in this strategy seek to exploit pricing differentials between various issues of mortgage-related bonds.*
- (h) *Investment Funds in this strategy tactically allocate capital to various hedge fund strategies based on their perceived risk and return profiles.*
- (i) *Investment Funds in this strategy invest primarily in private (non-public) securities with limited liquidity. Investment Fund tranches representing 0.43% of the Fund's net assets have restricted liquidity. The Fund estimates the remaining restriction period for such Investment Fund tranches to be 6 years.*
- (j) *Investment Funds in this strategy profit from temporary pricing discrepancies between related securities. This irregularity offers an opportunity to go long the cheaper security and to short the more expensive one in an attempt to profit as the prices of the two revert to their norm, or mean.*

As of December 31, 2016, 0.43% of the Fund's net assets were invested in Investment Funds with restricted liquidity or with the next available redemption date extending beyond one year from December 31, 2016.

For the year ended December 31, 2016, aggregate purchases and proceeds from sales of investments in Investment Funds were \$18,270,703 and \$18,118,569, respectively.

#### 6. Investment Receivables and Prepaids

As of December 31, 2016, \$9,348,142 was due to the Fund from Investment Funds. The receivable amount represents the fair value of certain Investment Fund tranches, net of management fees and incentive fees/allocations, that were redeemed by the Fund at year-end or holdback amounts that will be received from certain Investment Funds. Substantially all of the receivable balance was collected subsequent to the balance sheet date.

Prepaid investments in Investment Funds represent amounts transferred to Investment Funds prior to year-end relating to investments to be made effective January 1, 2017, pursuant to each Investment Fund's operating agreements.

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**AIP Multi-Strategy Fund A**  
**Notes to Financial Statements (continued)****7. Management Fee, Related Party Transactions and Other**

The Fund bears all expenses related to its investment program, including, but not limited to, expenses borne indirectly through the Fund's investments in the underlying Investment Funds.

In consideration of the advisory and other services provided by the Investment Adviser to the Fund, the Fund pays the Investment Adviser a monthly management fee of 0.083% (1.00% on an annualized basis) of the Fund's month end net asset value. The management fee is an expense paid out of the Fund's assets and is computed based on the value of the net assets of the Fund as of the close of business on the last business day of each month, before adjustments for any repurchases effective on that day. The management fee is in addition to the asset-based fees and incentive fees or allocations charged by the underlying Investment Funds and indirectly borne by Shareholders in the Fund. The Investment Adviser pays the Sub-Adviser a portion of the net management fees the Investment Adviser receives from the Fund on a monthly basis. For the year ended December 31, 2016, the Fund incurred management fees of \$675,085, of which \$183,751 was payable to the Investment Adviser at December 31, 2016.

The Investment Adviser has contractually agreed to waive or reimburse the Fund for expenses (other than extraordinary expenses and certain investment related expenses, such as foreign country tax expense and interest expense on amounts borrowed by the Fund) to the extent necessary in order to cap the Fund's total annual operating expenses at 1.75% until the termination of the Fund's investment advisory agreement. For the year ended December 31, 2016, there were no management fee waivers.

State Street Bank and Trust Company ("State Street") provides accounting and administrative services to the Fund. Under an administrative services agreement, State Street is paid an administrative fee, computed and payable monthly at an annual rate ranging from 0.045% to 0.075%, based on the aggregate monthly net assets of certain Morgan Stanley products, including the Fund, for which State Street serves as the administrator.

State Street also serves as the Fund's custodian. Under a custody services agreement, State Street is paid a custody fee monthly at an annual rate of 0.020%, based on (1) the aggregate monthly net assets of certain Morgan Stanley products, including the Fund, for which State Street serves as the custodian, and (2) investment purchases and sales activity related to the Fund.

The Fund is charged directly for certain reasonable out-of-pocket expenses related to the accounting, administrative and custodial services provided by State Street to the Fund.

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 7. Management Fee, Related Party Transactions and Other (continued)

The Fund has a deferred compensation plan (the “DC Plan”) that allows each member of the Board that is not an affiliate of Morgan Stanley to defer payment of all, or a portion, of the fees he or she receives for serving on the Board throughout the year. Each eligible member of the Board generally may elect to have the deferred amounts invested in the DC Plan in order to earn a return equal to the total return on one or more of the Morgan Stanley products that are offered as investment options under the DC Plan. Investments in the DC Plan, unrealized appreciation/depreciation on such investments and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Fund. At December 31, 2016, the Fund’s proportionate share of assets attributable to the DC Plan was \$1,212, which is included in the Statement of Assets and Liabilities under other assets and the deferred compensation obligation under accrued expenses and other liabilities.

UMB Fund Services, Inc. serves as the Fund’s transfer agent. Transfer agent fees were payable monthly based on an annual Fund base fee, annual per Shareholder account charges, and out-of pocket expenses incurred by the transfer agent on the Fund’s behalf.

#### 8. Line of Credit

Effective May 24, 2013, the Fund entered into a committed credit agreement with State Street for a revolving line of credit (the “Facility”). The maximum availability under the Facility is the lesser of \$17,000,000 commitment amount or 25% of the Fund’s adjusted net assets, as defined in the credit agreement, subject to specific asset-based covenants. The Fund pays an annual commitment fee related to the Facility of 0.35% of the unused commitment and the annual interest rate on borrowings is the greater of the Federal Funds Rate plus 1.75% or the overnight USD LIBOR rate plus 1.75%. Under the terms of the Facility, borrowings are repayable no later than May 19, 2017, the termination date of the Facility. At December 31, 2016, there was \$14,690,000 outstanding against the Facility. For the year ended December 31, 2016, the Fund incurred interest expense of \$299,213 in connection with the Facility. Borrowings are secured by the Fund’s investments in Investment Funds. Detailed below is summary information concerning the borrowings:

<u># of Days Outstanding</u>	<u>Average Daily Balance</u>	<u>Annualized Weighted Average Rate</u>
366	\$13,568,443	2.17%

#### 9. Contractual Obligations

The Fund enters into contracts that contain a variety of indemnifications. The Fund’s maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (continued)

#### 10. Financial Highlights

The following represents per Share data, ratios to average net assets and other financial highlights information for Shareholders.

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012
For a Share outstanding throughout the year:					
Net asset value, beginning of year	\$ 984.90	\$ 998.53	\$ 1,002.40	\$ 1,017.12	\$ 996.48
Net investment income (loss) <sup>(a)</sup>	(17.77)	(20.51)	(20.77)	(20.15)	(18.18)
Net realized and unrealized gain (loss) from investments	39.92	38.94	68.77	120.16	124.95
Net increase (decrease) resulting from operations	22.15	18.43	48.00	100.01	106.77
Distributions paid					
Net investment income	(17.30)	(32.06)	(51.87)	(114.73)	(86.13)
Net realized gain	-	-	-	-	-
Net asset value, end of year	\$ 989.75	\$ 984.90	\$ 998.53	\$ 1,002.40	\$ 1,017.12
Total return <sup>(b)</sup>	2.26%	1.85%	4.81%	10.00%	10.84%
Ratio of total expenses before expense waivers and reimbursements <sup>(c)</sup>	1.83%	2.02%	2.35%	2.24%	2.01%
Ratio of total expenses after expense waivers and reimbursements <sup>(c)</sup>	1.83%	2.02%	2.03%	1.92%	1.75%
Ratio of net investment income (loss) <sup>(d)</sup>	(1.83%)	(2.02%)	(2.03%)	(1.92%)	(1.75%)
Portfolio turnover	21%	24%	19%	14%	14%
Net assets, end of year (000s)	\$ 66,731	\$ 72,223	\$ 65,220	\$ 58,638	\$ 48,140

(a) Calculated based on the average shares outstanding methodology.

(b) Total return assumes a subscription of a Share in the Fund at the beginning of the year indicated and a repurchase of the Share on the last day of the year, and assumes reinvestment of all distributions during the year.

(c) Ratio does not reflect the Fund's proportionate share of the expenses of the Investment Funds.

(d) Ratio does not reflect the Fund's proportionate share of the income and expenses of the Investment Funds.

The above ratios and total returns have been calculated for the Shareholders taken as a whole. An individual Shareholder's return and ratios may vary from these returns and ratios due to the timing of Share transactions.

#### 11. Subsequent Events

Unless otherwise stated throughout the Notes to Financial Statements, the Fund noted no subsequent events that require disclosure in or adjustment to the financial statements.

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## AIP Multi-Strategy Fund A

### **Proxy Voting Policies and Procedures and Proxy Voting Record (Unaudited)**

A copy of (1) the Fund's policies and procedures with respect to the voting of proxies relating to the Investment Funds; and (2) how the Fund voted proxies relating to Investment Funds during the most recent 12-month period ended June 30, is available without charge, upon request, by calling the Fund at 1-888-322-4675. This information is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

### **Quarterly Portfolio Schedule (Unaudited)**

The Fund also files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the Fund's first and third fiscal quarters on Form N-Q. The Fund's Forms N-Q are available on the Securities and Exchange Commission's website at <http://www.sec.gov>. The Fund's Forms N-Q may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Once filed, the most recent Form N-Q will be available without charge, upon request, by calling the Fund at 1-888-322-4675.

### **Distributions (Unaudited)**

For federal income tax purposes, the following information is furnished with respect to the distributions paid by the Fund during its taxable year ended December 31, 2016. For corporate Shareholders, 0% of the distributions qualify for the dividends received deduction. In January, the Fund provides tax information to Shareholders for the preceding calendar year.



## **AIP Multi-Strategy Fund A**

### **An Important Notice Concerning Our U.S. Privacy Policy (Unaudited)**

*This privacy notice describes the U.S. privacy policy of Morgan Stanley Alternative Investment Partners (“us”, “our”, “we”).*

We are required by federal law to provide you with notice of our U.S. privacy policy ("Policy"). This Policy applies to both our current and former clients unless we state otherwise and is intended for individual clients who purchase products or receive services from us for personal, family or household purposes. This Policy is not applicable to partnerships, corporations, trusts or other non-individual clients or account holders, nor is this Policy applicable to individuals who are either beneficiaries of a trust for which we serve as trustee or participants in an employee benefit plan administered or advised by us.

This notice sets out our business practices to protect your privacy; how we collect and share personal information about you; and how you can limit our sharing or certain uses by others of this information. We may amend this Policy at any time, and will inform you of any changes to our Policy as required by law.

#### **We Respect Your Privacy**

We appreciate that you have provided us with your personal financial information and understand your concerns about your information. We strive to safeguard the information our clients entrust to us. Protecting the confidentiality and security of client information is an important part of how we conduct our business.

This notice describes what personal information we collect about you, how we collect it, when we may share it with others, and how certain others may use it. It discusses the steps you may take to limit our sharing of certain information about you with our affiliated companies, including, but not limited to, our affiliated banking businesses, brokerage firms and credit service affiliates. It also discloses how you may limit our affiliates' use of shared information for marketing purposes.

Throughout this Policy, we refer to the nonpublic information that personally identifies you as “personal information.” We also use the term “affiliated company” in this notice. An affiliated company is a company in our family of companies and includes companies with the Morgan Stanley name. These affiliated companies are financial institutions such as broker-dealers, banks, investment advisers and credit card issuers. We refer to any company that is not an affiliated company as a nonaffiliated third party. For purposes of Section 5 of this notice, and your ability to limit certain uses of personal information by our affiliates, this notice applies to the use of personal information by our affiliated companies.

## **An Important Notice Concerning Our U.S. Privacy Policy (Unaudited)** (continued)

### **1. What Personal Information Do We Collect From You?**

We may collect the following types of information about you: (i) information provided by you, including information from applications and other forms we receive from you, (ii) information about your transactions with us or our affiliates, (iii) information about your transactions with nonaffiliated third parties, (iv) information from consumer reporting agencies, (v) information obtained from our websites, and (vi) information obtained from other sources. For example:

- We collect information such as your name, address, e-mail address, telephone/fax numbers, assets, income and investment objectives through applications and other forms you submit to us.
- We may obtain information about account balances, your use of account(s) and the types of products and services you prefer to receive from us through your dealings and transactions with us and other sources.
- We may obtain information about your creditworthiness and credit history from consumer reporting agencies.
- We may collect background information from and through third-party vendors to verify representations you have made and to comply with various regulatory requirements.

### **2. When Do We Disclose Personal Information We Collect About You?**

*We may disclose personal information we collect about you in each of the categories listed above to affiliated and nonaffiliated third parties.*

**a. Information We Disclose to Affiliated Companies.** We may disclose personal information that we collect about you to our affiliated companies to manage your account(s) effectively, to service and process your transactions, and to let you know about products and services offered by us and affiliated companies, to manage our business, and as otherwise required or permitted by law. Offers for products and services from affiliated companies are developed under conditions designed to safeguard your personal information.

**b. Information We Disclose to Third Parties.** We may disclose personal information that we collect about you to nonaffiliated third parties to provide marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. We may also disclose all of the information we collect to other nonaffiliated third parties for our everyday business purposes, such as to process transactions, maintain account(s), respond to court orders and legal investigations, report to credit bureaus, offer our own products and services, protect against fraud, for institutional risk control, to perform services on our behalf, and as otherwise required or permitted by law.

When we share personal information about you with a nonaffiliated third party, they are required to limit their use of personal information about you to the particular purpose for which it was shared and they are not allowed to share personal information about you with others except to fulfill that limited purpose or as may be permitted or required by law.

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**An Important Notice Concerning Our U.S. Privacy Policy (Unaudited)**  
(continued)**3. How Do We Protect The Security and Confidentiality Of Personal Information We Collect About You?**

We maintain physical, electronic and procedural security measures that comply with applicable law and regulations to help safeguard the personal information we collect about you. We have internal policies governing the proper handling of client information by employees. Third parties that provide support or marketing services on our behalf may also receive personal information about you, and we require them to adhere to appropriate security standards with respect to such information.

**4. How Can You Limit Our Sharing Certain Personal Information About You With Our Affiliated Companies For Eligibility Determination?**

By following the opt-out procedures in Section 6, below, you may limit the extent to which we share with our affiliated companies, personal information that was collected to determine your eligibility for products and services such as your credit reports and other information that you have provided to us or that we may obtain from third parties (“eligibility information”). Eligibility information does not include your identification information or personal information pertaining to our transactions or experiences with you. Please note that, even if you direct us not to share eligibility information with our affiliated companies, we may still share your personal information, including eligibility information, with our affiliated companies under circumstances that are permitted under applicable law, such as to process transactions or to service your account.

**5. How Can You Limit the Use of Certain Personal Information About You by Our Affiliated Companies for Marketing?**

By following the opt-out instructions in Section 6, below, you may limit our affiliated companies from marketing their products or services to you based on personal information we disclose to them. This information may include, for example, your income and account history with us. Please note that, even if you choose to limit our affiliated companies from using personal information about you that we may share with them for marketing their products and services to you, our affiliated companies may use your personal information that they obtain from us to market to you in circumstances permitted by law, such as if the affiliated party has its own relationship with you.

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## **An Important Notice Concerning Our U.S. Privacy Policy (Unaudited)** (continued)

### **6. How Can You Send Us an Opt-Out Instruction?**

If you wish to limit our sharing of eligibility information about you with our affiliated companies, or our affiliated companies' use of personal information for marketing purposes, as described in this notice, you may do so by:

- Calling us at: 610.260.7600  
Monday–Friday between 8a.m. and 5p.m. (EST)
- Writing to us at the following address:  
Morgan Stanley Alternative Investment Partners LP  
Attention: AIP Investor Services  
100 Front Street, Suite 400  
West Conshohocken, PA 19428

If you choose to write to us, your request should include: your name, address, telephone number and account number(s) to which the opt-out applies and whether you are opting out with respect to sharing of eligibility information (Section 4 above), or information used for marketing (Section 5 above), or both. Written opt-out requests should not be sent with any other correspondence. In order to process your request, we require that the request be provided by you directly and not through a third party. Once you have informed us about your privacy preferences, your opt-out preference will remain in effect with respect to this Policy (as it may be amended) until you notify us otherwise. If you are a joint account owner, we will accept instructions from any one of you and apply those instructions to the entire account.

Please understand that if you limit our sharing or our affiliated companies' use of personal information, you and any joint account holder(s) may not receive information about our affiliated companies' products and services, including products or services that could help you manage your financial resources and achieve your investment objectives.

If you have more than one account or relationship with us, please specify the accounts to which you would like us to apply your privacy choices. If you have accounts or relationships with our affiliates, you may receive multiple privacy policies from them, and will need to separately notify those companies of your privacy choices for those accounts or relationships.

### **7. What if an affiliated company becomes a nonaffiliated third party?**

If, at any time in the future, an affiliated company becomes a nonaffiliated third party, further disclosures of personal information made to the former affiliated company will be limited to those described in Section 2(b) above relating to nonaffiliated third parties. If you elected under Section 6 to limit disclosures we make to affiliated companies, or use of personal information by affiliated companies, your election will not apply to use by any former affiliated company of your personal information in their possession once it becomes a nonaffiliated third party.

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**An Important Notice Concerning Our U.S. Privacy Policy (Unaudited)**  
(continued)**SPECIAL NOTICE TO RESIDENTS OF VERMONT**

**The following section supplements our Policy with respect to our individual clients who have a Vermont address and supersedes anything to the contrary in the above Policy with respect to those clients only.**

The State of Vermont requires financial institutions to obtain your consent prior to sharing personal information that they collect about you with nonaffiliated third parties, or eligibility information with affiliated companies, other than in certain limited circumstances. Except as permitted by law, we will not share personal information we collect about you with nonaffiliated third parties or eligibility information with affiliated companies, unless you provide us with your written consent to share such information.

**SPECIAL NOTICE TO RESIDENTS OF CALIFORNIA**

**The following section supplements our Policy with respect to our individual clients who have a California address and supersedes anything to the contrary in the above Policy with respect to those clients only.**

In response to a California law, if your account has a California home address, your personal information will not be disclosed to nonaffiliated third parties except as permitted by applicable California law, and we will limit sharing such personal information with our affiliates to comply with California privacy laws that apply to us.

## Information Concerning Trustees and Officers (Unaudited)

Name, Age and Address	Position(s) Held with Registrant	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen in Fund Complex	Other Trusteeships/Directorships Held Outside the Fund Complex**
<b>Independent Trustees</b>					
Frank L. Bowman (72) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since August 2006	President, Strategic Decisions, LLC (consulting) (since February 2009); Director or Trustee of Morgan Stanley Funds (since August 2006); Chairperson of the Compliance and Insurance Committee (since October 2015); formerly, Chairperson of the Insurance Sub-Committee of the Compliance and Insurance Committee (2007-2015); served as President and Chief Executive Officer of the Nuclear Energy Institute (policy organization) (February 2005-November 2008), retired as Admiral, U.S. Navy after serving over 38 years on active duty including 8 years as Director of the Naval Nuclear Propulsion Program in the Department of the Navy and the U.S. Department of Energy (1996-2004); served as Chief of Naval Personnel (July 1994-September 1996) and on the Joint Staff as Director of Political Military Affairs (June 1992-July 1994); knighted as Honorary Knight Commander of the Most Excellent Order of the British Empire; awarded the Officer de l'Ordre National du Mérite by the French Government; elected to the National Academy of Engineering (2009).	90	Director of BP p.l.c.; Director of Naval and Nuclear Technologies LLP; Director Emeritus of the Armed Services YMCA; Director of the U.S. Naval Submarine League; Member of the National Security Advisory Council of the Center for U.S. Global Engagement and a member of the CNA Military Advisory Board; Chairman of the charity J Street Cup Golf; Trustee of Fairhaven United Methodist Church; and Director of other various nonprofit organizations.
Kathleen A. Dennis (63) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since August 2006	President, Cedarwood Associates (mutual fund and investment management consulting) (since July 2006); Chairperson of the Liquidity and Alternatives Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 2006); formerly, Senior Managing Director of Victory Capital Management (1993-2006).	91	Director of various non-profit organizations.
Nancy C. Everett (61) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since January 2015	Chief Executive Officer, Virginia Commonwealth University Investment Company (since November 2015); Owner, OBIR, LLC (institutional investment management consulting) (since June 2014); formerly, Managing Director, BlackRock, Inc. (February 2011-December 2013); and Chief Executive Officer, General Motors Asset Management (a/k/a Promark Global Advisors, Inc.) (June 2005-May 2010).	91	Member of the Virginia Commonwealth University School of Business Foundation; formerly, Member of Virginia Commonwealth University Board of Visitors (2013-2015); Member of Committee on Directors for Emerging Markets Growth Fund, Inc. (2007-2010); Chairperson of Performance Equity Management, LLC (2006-2010); and Chairperson, GMAM Absolute Return Strategies Fund, LLC (2006-2010).

**Information Concerning Trustees and Officers (Unaudited) (continued)**

<b>Name, Age and Address</b>	<b>Position(s) Held with Registrant</b>	<b>Length of Time Served*</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios Overseen in Fund Complex</b>	<b>Other Trusteeships/Directorships Held Outside the Fund Complex**</b>
<b>Independent Trustees (continued)</b>					
Jakki L. Haussler (59) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since January 2015	Chairman and Chief Executive Officer, Opus Capital Group (since January 1996); and formerly, Director, Capvest Venture Fund, LP (May 2000-December 2011); Partner, Adena Ventures, LP (July 1999-December 2010); Director, The Victory Funds (February 2005-July 2008)	91	Director of Cincinnati Bell Inc. and Member, Audit Committee and Compensation Committee; Director of Northern Kentucky University Foundation and Member, Investment Committee; Member of Chase College of Law Transactional Law Practice Center Board of Advisors; Director of Best Transport; Chase College of Law Board of Visitors; formerly, Member, University of Cincinnati Foundation Investment Committee; Member, Miami University Board of Visitors (2008-2011); Trustee of Victory Funds (2005-2008) and Chairman, Investment Committee (2007-2008) and Member, Service Provider Committee (2005-2008).
Dr. Manuel H. Johnson (67) c/o Johnson Smick International, Inc. 220 I Street, NE Suite 200 Washington, D.C. 20002	Trustee	Since July 1991	Senior Partner, Johnson Smick International, Inc. (consulting firm); Chairperson of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since July 1991); Co-Chairman and a founder of the Group of Seven Council (G7C) (international economic commission); formerly, Chairperson of the Audit Committee (July 1991-September 2006); Vice Chairman of the Board of Governors of the Federal Reserve System and Assistant Secretary of the U.S. Treasury.	91	Director of NVR, Inc. (home construction).
Joseph J. Kearns (74) c/o Kearns & Associates LLC 46 E. Peninsula Center #385 Rolling Hills Estates, CA 90274-3712	Trustee	Since August 1994	President, Kearns & Associates LLC (investment consulting); Chairperson of the Audit Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 1994); formerly, Deputy Chairperson of the Audit Committee (July 2003-September 2006) and Chairperson of the Audit Committee of various Morgan Stanley Funds (since August 1994); CFO of the J.Paul Getty Trust.	94	Director of Electro Rent Corporation (equipment leasing). Prior to December 31, 2013, Director of The Ford Family Foundation.

**Information Concerning Trustees and Officers (Unaudited) (continued)**

<b>Name, Age and Address</b>	<b>Position(s) Held with Registrant</b>	<b>Length of Time Served*</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios Overseen in Fund Complex</b>	<b>Other Trusteeships/Directorships Held Outside the Fund Complex**</b>
<b>Independent Trustees (continued)</b>					
Michael F. Klein (58) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since August 2006	Managing Director, Aetos Capital, LLC (since March 2000); Co-President, Aetos Alternatives Management, LLC (since January 2004) and Co-Chief Executive Officer of Aetos Capital LLC (since August 2013); Chairperson of the Fixed Income Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 2006); formerly, Managing Director, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management, President, various Morgan Stanley Funds (June 1998-March 2000) and Principal, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management (August 1997-December 1999).	90	Director of certain investment funds managed or sponsored by Aetos Capital, LLC; Director of Sanitized AG and Sanitized Marketing AG (specialty chemicals).
Patricia Maleski*** (56) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since January 2017	Management Director, JPMorgan Asset Management (2013-2016); President, JPMorgan Funds (2010-2013), Chief Administrative Officer, JPMorgan Funds (2004-2010), Treasurer, JPMorgan Funds (2003-2004, 2008-2010), and Vice President and Board Liaison, JPMorgan Funds (2001-2004); Managing Director, J.P. Morgan Investment Management Inc. (2001-2013); Vice President of Finance, Pierpont Group (1996-2001); Vice President, Bank of New York (1995-1996); Senior Audit Manager, Price Waterhouse, LLP (1982-1995).	91	None.
Michael E. Nugent (80) 522 Fifth Avenue New York, NY 10036	Chair of the Board and Trustee	Chair of the Boards since July 2006 and Trustee since July 1991	Chair of the Boards of various Morgan Stanley Funds (since July 2006); Chairperson of the Closed-End Fund Committee (since June 2012) and Director or Trustee of various Morgan Stanley Funds (since July 1991); formerly, Chairperson of the Insurance Committee (until July 2006); General Partner, Triumph Capital, L.P., (private investment partnership) (1988-2013).	92	None.



**Information Concerning Trustees and Officers (Unaudited) (continued)**

<b>Name, Age and Address</b>	<b>Position(s) Held with Registrant</b>	<b>Length of Time Served*</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios Overseen in Fund Complex</b>	<b>Other Trusteeships/Directorships Held Outside the Fund Complex**</b>
<b>Independent Trustees (continued)</b>					
W. Allen Reed (69) c/o Perkins Coie LLP Counsel to the Independent Trustees 30 Rockefeller Plaza New York, NY 10012	Trustee	Since August 2006	Chairperson of the Equity Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 2006); formerly, President and CEO of General Motors Asset Management; Chairman and Chief Executive Officer of the GM Trust Bank and Corporate Vice President of General Motors Corporation (August 1994-December 2005).	91	Director of Legg Mason, Inc.; formerly, Director of the Auburn University Foundation (2010-2015).
Fergus Reid (84) c/o Joe Pietryka Inc. 85 Charles Colman Blvd. Pawling, NY 12564	Trustee	Since June 1992	Chairman, Joe Pietryka, Inc.; Chairperson of the Governance Committee and Director or Trustee of various Morgan Stanley Funds (since June 1992).	92	Formerly, Trustee and Director of certain investment companies in the JPMorgan Fund complex managed by JP Morgan Investment Management Inc. (1987-2012)

\* This is the earliest date the Trustee began serving the Morgan Stanley Funds. Each Trustee serves an indefinite term, until his or her successor is elected.

\*\* This includes any directorships at public companies and registered investment companies held by the Trustee at any time during the past five years.

\*\*\* Ms. Maleski joined the Board of Trustees of the Fund as an Independent Trustee effective January 1, 2017.

**Information Concerning Trustees and Officers (Unaudited) (continued)**

<u>Name, Age and Address</u>	<u>Position(s) Held with Registrant</u>	<u>Length of Time Served**</u>	<u>Principal Occupation(s) During Past 5 Years</u>
<b>Officers *</b>			
John H Gernon (53) 522 Fifth Avenue New York, NY 10036	President and Principal Executive Officer	Since September 2013	President and Principal Executive Officer of the Equity and Fixed Income Funds and the Morgan Stanley AIP Funds (since September 2013) and the Liquidity Funds and various money market funds (since May 2014) in the Fund Complex; Managing Director of the Adviser; Head of Product (since 2006).
Timothy J. Knierim (57) 522 Fifth Avenue New York, NY 10036	Chief Compliance Officer	Since December 2016	Managing Director of the Adviser and various entities affiliated with the Adviser; Chief Compliance Officer of various Morgan Stanley Funds and the Adviser (since December 2016) and Chief Compliance Officer of Morgan Stanley AIP GP LP (since 2014). Formerly, Managing Director and Deputy Chief Compliance Officer of the Adviser (2014-2016); and formerly, Chief Compliance Officer of Prudential Investment Management, Inc. (2007-2014).
Matthew Graver (48) 100 Front Street, Suite 400 West Conshohocken, PA 19428-2881	Vice President	Since June 2008	Chief Operating Officer of the Morgan Stanley Alternative Investment Partners Fund of Hedge Funds group and Managing Director of Morgan Stanley Investment Management Inc. Formerly, Senior Manager at PricewaterhouseCoopers LLP.
Mary E. Mullin (49) 522 Fifth Avenue New York, NY 10036	Secretary	Since June 1999	Executive Director of Morgan Stanley Investment Management Inc.; Secretary of various Morgan Stanley Funds (since June 1999).
Noel Langlois (47) 100 Front Street, Suite 400 West Conshohocken, PA 19428-2881	Treasurer and Chief Financial Officer	Since March 2010	Head of Alternative Investment Services of Morgan Stanley Investment Management and Managing Director of Morgan Stanley Investment Management Inc.; Director of Morgan Stanley Funds plc, Morgan Stanley Multi-Strategy Fund plc, Morgan Stanley Alpha Plus Funds plc, and Morgan Stanley Select Investment Strategies Limited.

\* In addition, the following individuals who are officers of Morgan Stanley Investment Management Inc. or its affiliates serve as assistant secretaries of the Fund: Allan Fajardo, Francesca Mead and Sheri Schreck. The following individuals who are officers of Morgan Stanley Investment Management Inc. or its affiliates also serve as assistant treasurers of the Fund: Michael Conklin, Robert Creaney, Marnie Niziolek, Geoff Kron, Lee Spector and Francie Tai.

\*\* This is the earliest date the Officer began serving the Morgan Stanley Funds. Each officer serves an indefinite term, until his or her successor is elected.

**AIP Multi-Strategy Fund A**

100 Front Street, Suite 400  
West Conshohocken, PA 19428

**Trustees**

Michael Nugent, Chairperson of the Board and Trustee  
Frank L. Bowman  
Kathleen A. Dennis  
Nancy C. Everett  
Jakki L. Haussler  
Dr. Manuel H. Johnson  
Joseph J. Kearns  
Michael F. Klein  
Patricia Maleski  
W. Allen Reed  
Fergus Reid

**Officers**

John H. Gernon, President and Principal Executive Officer  
Matthew Graver, Vice President  
Timothy Knierim, Chief Compliance Officer  
Noel Langlois, Treasurer and Principal Financial Officer  
Mary E. Mullin, Secretary

**Master Fund's Investment Adviser**

Morgan Stanley AIP GP LP  
100 Front Street, Suite 400  
West Conshohocken, PA 19428

**Master Fund's Sub-Adviser**

Morgan Stanley Investment Management Limited  
25 Cabot Square  
Canary Wharf  
London E14-4QA, England

**Administrator, Custodian, Fund Accounting Agent and Escrow Agent**

State Street Bank and Trust Company  
One Lincoln Street  
Boston, MA 02111

**Transfer Agent**

UMB Fund Services, Inc.  
803 W. Michigan Street  
Milwaukee, WI 53233

**Independent Registered Public Accounting Firm**

Ernst & Young LLP  
One Commerce Square  
2005 Market Street, Suite 700  
Philadelphia, PA 19103

**Legal Counsel**

Dechert LLP  
1095 Avenue of the Americas  
New York, NY 10036

**Counsel to the Independent Trustees**

Perkins Coie LLP  
30 Rockefeller Plaza  
New York, New York 10112