

MORGAN STANLEY FUNDS p.l.c
(an umbrella fund with segregated liability between sub-funds)

**A company incorporated with limited liability
as an open-ended investment company with variable capital
under the laws of Ireland with
registered number 370071**

PROSPECTUS

This Prospectus is dated 31 March 2011

The Directors of Morgan Stanley Funds p.l.c. whose names appear in this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This Prospectus should be read in conjunction with the Supplements dealing with the relevant Sub-Fund(s).

Investment Manager

Morgan Stanley Investment Management, Inc.

Morgan Stanley Funds p.l.c.

The authorisation of Morgan Stanley Funds p.l.c. (the Fund) by the Central Bank of Ireland (the Central Bank) shall not constitute a warranty as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund.

The value of and income from Shares in the Fund may go up or down and you may not get back the amount you have invested in the Fund.

Information applicable to the Fund generally is contained in this Prospectus. Shares constituting each sub-fund offered by the Fund are described in the Supplements to this Prospectus (a Sub-Fund).

Before investing in the Fund, you should consider the risks involved in such investment. Please see **Risk Factors** below and where applicable to each Sub-Fund in the Supplements.

If you are in any doubt about the contents of this Prospectus you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other financial adviser.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the then latest annual report and audited accounts of the Fund and, if published after such report, a copy of the then latest semi-annual report and unaudited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the Fund.

The Fund is an umbrella investment company with variable capital incorporated on 22 April 2003 and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (S.I. No. 211 of 2003) as amended. **Such authorisation is not an endorsement or guarantee of the Fund or any Sub-Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus.**

All classes of Shares in the Fund are available for issue. Investors should contact the Administrator for confirmation of the classes of Shares in the Fund that have either already been admitted to listing and trading or whether an application has been made for them to be admitted to the official list and trading on the main securities market of the Irish Stock Exchange. Application may be made to the Irish Stock Exchange for the listing of further classes of Shares issued and available for issue, to be admitted to listing on the official list and trading on the main market of the Irish Stock Exchange. This Prospectus shall comprise listing particulars for the purpose of the listing of such Shares on the Irish Stock Exchange. It is not anticipated that an active secondary market will develop in such Shares.

Neither the admission of Shares of the Fund to the official list and trading on the main securities market of the Irish Stock Exchange nor the approval of the Prospectus shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the Prospectus or the suitability of the Fund or any Sub-Funds for investment purposes.

This Prospectus is issued in the United Kingdom (**UK**) by Morgan Stanley Investment Management Limited, which is regulated in the conduct of its investment business by the Financial Services Authority (the **FSA**).

Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares. In particular, applicants must certify that they are not US Persons, except as otherwise authorized by the Directors of the Fund as set out in the section entitled Subscriptions by and Transfers to US Persons in Appendix IV. Shareholders are also required to notify the Fund immediately in the event that they become a US Person, and the Fund may, at its discretion, redeem or otherwise dispose of the Shares to non US Persons. Applicants are also directed to the section entitled Taxation in Appendix IV in relation to the taxation of United States Investors.

This Prospectus 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.

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus or in any reports and accounts of the Fund forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Administrator or the Distributor as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Fund.

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.

Defined terms used in this Prospectus shall have the meaning attributed to them in Appendix I.

The Directors may refuse an application for Shares by or for the account or benefit of any United States Person or decline to register a transfer of Shares to or for the account or benefit of any United States Person and may require the compulsory repurchase or transfer of Shares beneficially owned by any United States Person. See **Subscriptions by and Transfers to US Persons in Appendix IV.**

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

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1. DIRECTORY

Morgan Stanley Funds p.l.c.
25/28 North Wall Quay
Dublin 1
Ireland

INVESTMENT MANAGER

Morgan Stanley Investment Management, Inc.
522 Fifth Avenue,
New York,
New York, 10036,
United States of America

SUB-INVESTMENT MANAGER AND DISTRIBUTOR

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

CUSTODIAN

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

ADMINISTRATOR AND REGISTRAR

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

SECRETARY

Goodbody Secretarial Limited
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

AUDITORS

Ernst & Young
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

IRISH LEGAL ADVISERS TO THE FUND

A & L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

SPONSORING BROKER

A & L Listing Limited
International Financial Services Centre
North Wall Quay

Dublin 1, Ireland

2. INTRODUCTION

The Fund is structured as an umbrella investment company, in that different Sub-Funds may be established from time to time by the Directors with the prior approval of the Central Bank. Any supplement to the Prospectus in relation to a new Sub-Fund shall list all of the existing Sub-Funds. Shares of more than one class may be issued in relation to a Sub-Fund. The creation of any new classes of Shares shall be notified to and cleared in advance by Central Bank. On the introduction of any new class of Shares, the Fund will prepare and the Directors will issue documentation setting out the relevant details of each such class of Shares. A separate portfolio of assets shall be maintained for each Sub-Fund and shall be invested in accordance with the investment objective applicable to such Sub-Fund. **Particulars relating to individual Sub-Funds and the classes of Shares available therein are given in the Supplements hereto.**

Morgan Stanley Investment Management, Inc. (the **Investment Manager**) serves as investment manager of the Fund and Morgan Stanley Investment Management Limited as the sub-investment manager (the **Sub-Investment Manager**) and distributor (the **Distributor**) of the Shares.

The Fund may decline any application for Shares in whole or in part without assigning any reason therefor 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 the Supplement for the relevant Sub-Fund, unless the Minimum Initial Subscription is waived by the Directors.

After the initial issue, Shares will be issued and repurchased at the Net Asset Value per Share plus or minus duties and charges (as the case may be) including any preliminary or repurchase charge specified in the Supplements hereto. The Net Asset Value of the Shares of each class and the issue and repurchase prices will be calculated in accordance with the provisions summarised under the heading **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** in this Prospectus.

Details of Dealing Days in respect of each Sub-Fund appear in the Supplements.

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Articles summarised under the heading **General Information** in this Prospectus, copies of which are available as detailed in this Prospectus.

Activities which may adversely affect the interests of the Fund's Shareholders (for example, activities that disrupt the Fund's investment strategies or impact expenses for the Fund) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Fund's Shareholders, take action as appropriate to deter such activities.

The Supplements attached to this Prospectus comprise a summary of the particulars relating to the US Dollar Liquidity Fund, the Euro Liquidity Fund, the Sterling Liquidity Fund and the US Treasury Fund. The other Sub-Funds in existence at the time of this Prospectus are the US Dollar Enhanced Yield Fund, the Euro Enhanced Yield Fund and the Sterling Enhanced Yield Fund although these are no longer available for subscription and an application will be made in due course for the withdrawal of their approval by the Central Bank. The assets of each Sub-Fund will be separate from one another and will be invested in accordance with the investment objective applicable to each Sub-Fund. New Sub-Funds may be created by the Directors with prior approval of the Central Bank. New share classes may also be created by the Directors in accordance with the requirements of the Central Bank. Details of any new Sub-Funds and/or share classes will be contained in the relevant Supplement.

Information contained within the Supplements is selective and should be read in conjunction with this Prospectus.

3. DIRECTORS OF THE FUND

The Directors of the Fund are described below:

Michael Kevin Griffin, is a non-executive director of a number of Irish companies. Mr Griffin worked for the corporate banking arm of the Ulster Bank Group from 1973 to 1999 and was a director and member of the management committee of Ulster Investment Bank Limited from 1987 to 1996. In 1995 he was

appointed Head of Trading. He was a director and Head of Trading of Ulster Bank Markets Limited from 1996 to 1999. He was Chairman of the Irish Bankers Federation EMU Financial and Capital Markets Expert Group from 1997 to 1999. He is a fellow of The Institute of Bankers in Ireland.

David McGeough is a lawyer by professional qualification and has over 20 years experience in the financial services industry where he has served as a Partner and Member of the international Management Committee of one of the world's largest hedge fund firms (Vega Asset Management: 2002-2007), a Chief Executive Officer of an international technology company (Mobileaware: 2001-2002) and a Partner and Head of the Investment Funds team in a leading international law firm (Matheson Ormsby Prentice: 1994-2000). Mr. McGeough has acted as legal counsel to many of the world's leading investment banks and asset management firms.

Noel Langlois is a Managing Director of the Investment Manager and leads the Operations teams supporting Morgan Stanley Alternative Investment Partners. Prior to joining the Investment Manager, Mr. Langlois worked at Miller Anderson & Sherrerd LLP (**MAS**), which was acquired by the Investment Manager in 1996. With MAS and the Investment Manager, Mr. Langlois concurrently led the Derivatives Investments Team, supporting the Investment Manager's global swaps and futures trading, for 8 years and the Derivatives Products team, supporting leveraged fixed income hedge funds, for 10 years. He was also later responsible for the operations for the Morgan Stanley Hedge Fund Partners team, involving externally managed hedge funds. Mr. Langlois holds a B.S. in Business from Bucknell University. He is a Chartered Financial Analyst Charterholder.

Andrew Mack Prior to retiring from Morgan Stanley in mid 2010, Andrew was managing director and head of Morgan Stanley Investment Management ("**MSIM**") in Europe, Middle East and Africa. Andrew originally joined Morgan Stanley in 1996 as a portfolio manager in the asset management business, where he launched and co-managed a global equity arbitrage fund. He subsequently headed the global market risk oversight team for all of Morgan Stanley before taking over as market risk manager for the European Equity business. Andrew was appointed as European head of multi asset class prime brokerage in 2004 and took over prime brokerage sales for Europe in 2006 before running the European listed derivative business. Andrew rejoined MSIM in 2008 as Global Chief Risk Officer, taking over as head of MSIM in Europe, Middle East and Africa at the beginning of 2009.

Andrew has 25 years of investment experience and has been involved in taking and managing risk for most of his investment career. His previous experience includes portfolio management, trading and risk management positions at Cargill, Bankers Trust and Black River Asset Management, a Minneapolis based hedge fund.

No Director has: (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any asset of such Director; or (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company. Save for the information disclosed herein, no further information is required to be given in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Fund.

The Fund has delegated the day to day management and running of the Fund in accordance with policies approved by the Directors to the Custodian, the Administrator, the Investment Manager, the Sub-Investment Manager and Distributor. Consequently, all Directors of the Fund are non-executive.

4. INVESTMENT MANAGER

The Investment Manager is Morgan Stanley Investment Management, Inc. incorporated in the United States of America. The Investment Manager has been appointed to provide investment management

services to the Fund pursuant to an investment management agreement dated 22 May 2003.

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

Subject to controls imposed by the Directors under the investment management agreement, all relevant laws and regulations, this Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments in relation to the investment management of the Fund.

The Investment Manager is regulated by the Securities and Exchange Commission.

As at 31 March 2008 Morgan Stanley Investment Management had approximately US\$568 billion of assets under management.

5. SUB-INVESTMENT MANAGER AND DISTRIBUTOR

The Sub-Investment Manager and Distributor is Morgan Stanley Investment Management Limited, a private limited company incorporated in England and Wales under the Companies Act 1985 on 22 January 1986. Morgan Stanley Investment Management Limited has been appointed by the Investment Manager to act as the sub-investment manager of the Sterling and Euro Sub-Funds and pursuant to a sub-investment management agreement dated 22 May 2003 and has been appointed by the Fund to act as the distributor of the Shares pursuant to a distribution agreement dated 22 May 2003, under which it has the power to appoint sub-distributors for distribution of the Shares. Morgan Stanley Investment Management Limited is regulated by the Financial Services Authority.

The ultimate holding company of the Sub-Investment Manager and Distributor is Morgan Stanley. The Distributor's registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA.

6. CUSTODIAN

The Fund has appointed State Street Custodial Services (Ireland) Limited to act as custodian of the assets of the Fund.

The principal activity of the Custodian is to act as custodian of the assets of collective investment schemes. The Custodian is regulated by the Central Bank. Sub-Custodians may be appointed by the Custodian and the liability of the Custodian will not be affected by this fact provided that in order to discharge this responsibility the Custodian shall exercise reasonable skill, care and diligence in the selection of a suitable sub-custodian and shall be responsible to the Fund for the duration of the sub-custody agreement for satisfying itself as to the ongoing suitability of the sub-custodians to provide custodial services to the Fund. The Custodian will also maintain an appropriate level of supervision over the sub-custodians and will make appropriate inquiries periodically to confirm that the obligations of the sub-custodians continue to be competently discharged. Any sub-custodian appointed will be paid at normal commercial rates.

The Custodian is a private limited company incorporated in Ireland on 22 May 1991. The Custodian is ultimately owned by State Street Corporation. Its authorised share capital is £5,000,000 and its issued and paid up capital is £200,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol **STT**.

7. ADMINISTRATOR AND REGISTRAR

The Fund has appointed State Street Fund Services (Ireland) Limited to act as administrator of the Fund.

The Administrator is responsible for performing the day to day administration of the Fund and for

providing fund accounting for the Fund, including the calculation of the Net Asset Value and the Net Asset Value per Share, and for providing registration, transfer agency and related services to the Fund.

The Administrator was incorporated in Ireland on 23 March 1992 and is ultimately owned by State Street Corporation. The authorised share capital of the Administrator is £5,000,000 with an issued and paid up share capital of £350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol **STT**.

8. INVESTMENT OBJECTIVE AND POLICIES

The Articles provide that the investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. Details of the investment objective and policies for each Sub-Fund of the Fund appear in the Supplements for the relevant Sub-Fund. In the absence of unforeseen circumstances, the principal investment objective and policies for any Sub-Fund will be adhered to for at least three years following the admission of the Shares of the relevant Sub-Fund to the official list and trading on the main securities market of the Irish Stock Exchange. Any change in the investment objective of a Sub-Fund may only be made with the approval of an ordinary resolution of the Shareholders of the relevant Sub-Fund. Subject to giving reasonable prior notice to Shareholders to enable them to request the repurchase of their Shares prior to the implementation of any change, the Directors have the power to change the investment objective and policies of a Sub-Fund.

9. INVESTMENT RESTRICTIONS

The particular investment restrictions for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund and will appear in the Supplement hereto for the relevant Sub-Fund.

Details of the investment restrictions laid down in accordance with the Regulations in respect of each Sub-Fund are set out below:

10. PERMITTED INVESTMENTS

Investments of each Sub-Fund are confined to:

- 10.1. Transferable securities and money market instruments, as prescribed in the UCITS Notices, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, recognised and open to the public in a Member State or non-Member State (and which in each case is listed in Appendix II).
- 10.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 10.3. Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
- 10.4. Units of UCITS.
- 10.5. Units of non-UCITS as set out in the UCITS Notices.
- 10.6. Deposits with credit institutions as prescribed in the UCITS Notices.
- 10.7. Financial derivative instruments (FDI) as prescribed in the UCITS Notices.

11. INVESTMENT RESTRICTIONS

- 11.1. Each Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 10.1.
- 11.2. Each Sub-Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 10.1) within a year. This restriction will not apply in relation to investment by each Sub-Fund in certain US securities known as Rule 144A securities provided that:
 - 11.2.1. The securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - 11.2.2. The securities are not illiquid securities i.e. they may be realised by each Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
- 11.3. Each Sub-Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 11.4. Subject to the prior approval of the Central Bank, the limit of 10% in 11.3 is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund.
- 11.5. The limit of 10% in 11.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 11.6. The transferable securities and money market instruments referred to in 11.4 and 11.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 11.3.
- 11.7. Each Sub-Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in the European Economic Area (**EEA**) or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998, held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Custodian.
- 11.8. The risk exposure of each Sub-Fund to a counterparty in an over the counter (**OTC**) derivative transaction may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998.
- 11.9. Notwithstanding paragraphs 11.3, 11.7 and 11.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
 - 11.9.1. investments in transferable securities or money market instruments;
 - 11.9.2. deposits, and/or
 - 11.9.3. counterparty risk exposures arising from OTC derivatives transactions.
- 11.10. The limits referred to in 11.3, 11.4, 11.5, 11.7, 11.8 and 11.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 11.11. Group Companies are regarded as a single issuer for the purposes of 11.3, 11.4, 11.5, 11.7, 11.8 and 11.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 11.12. Each Sub-Fund may invest up to 100% of net assets in transferable securities and money market instruments issued or guaranteed by any Member State, local authorities of a Member State or by Japan, Canada, New Zealand, Australia, Norway, United States of America, Switzerland or any other OECD member country (provided they are investment grade). European Union, European Investment Bank, European Central Bank, European Coal and Steel Community, Euratom, Eurofima, Council of Europe, The Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, International Bank for Reconstruction and Development, (the **World Bank**), International Finance Corporation, International Monetary Fund, Federal National Mortgage Association (**Fannie Mae**), Federal Home Loan Mortgage Corporation (**Freddie Mac**), the Government National Mortgage Association (**Ginnie Mae**), Federal Home Loan bank (**FHLB**), Federal Farm Credit Bank (**FFCB**), Tennessee Valley Authority (**TVA**) and the Student Loan Marketing Association (**Sallie Mae**).

Each Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

12. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

- 12.1. A Sub-Fund may not invest more than 10% of net assets in aggregate in open-ended collective investment schemes (**CIS**). Where the CIS is an umbrella fund each sub-fund of that umbrella may be regarded as if it were a separate CIS for the purpose of this limit.
- 12.2. Investment in non-UCITS may not, in aggregate, exceed 10% of net assets of a Sub-Fund.
- 12.3. When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Sub-Fund's investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, neither the investment manager nor that other company may charge subscription, conversion or redemption fees on account of that Sub-Fund's investment in the units of such other CIS.
- 12.4. Where a commission (including a rebated commission) is received by a Sub-Fund's investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Sub-Fund.

13. GENERAL PROVISIONS

- 13.1. The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 13.2. Each Sub-Fund may acquire no more than:
- 13.2.1. 10% of the non-voting shares of any single issuing body;
 - 13.2.2. 10% of the debt securities of any single issuing body;
 - 13.2.3. 25% of the units of any single CIS;
 - 13.2.4. 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 13.3. 13.1 and 13.2 shall not be applicable to:

- 13.3.1. transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - 13.3.2. transferable securities and money market instruments issued or guaranteed by a non-Member State;
 - 13.3.3. transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
 - 13.3.4. shares held by each Sub-Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which each Sub-Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 11.3 to 11.11, 12.1, 12.2, 13.1, 13.2, 13.4, 13.5 and 13.6 and provided that where these limits are exceeded, 13.5 and 13.6 are observed;
 - 13.3.5. shares held by the Sub-Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.
- 13.4. A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 13.5. The Central Bank may allow recently authorised Sub-Funds to derogate from the provisions of 11.3 to 11.12, 12.1 and 12.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 13.6. If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- 13.7. A Sub-Fund may not carry out uncovered sales of:
- transferable securities;
 - money market instruments;
 - units of CIS; or
 - financial derivative instruments (**FDIs**).
- 13.8. A Sub-Fund may hold ancillary liquid assets.

14. FINANCIAL DERIVATIVE INSTRUMENTS

- 14.1. A Sub-Fund may invest in FDIs dealt in over the counter (**OTC**) provided that

The counterparty is a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998; or an investment firm, authorised in accordance with the Investment Services Directive, in an EEA Member State.

The counterparty has a minimum credit rating of A2/P2 or equivalent, or is deemed by the Investment Manager or Sub-Investment Manager to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where each Sub-Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2.

The Investment Manager or Sub-Investment Manager must be satisfied that the counterparty will value the transactions at least daily and will close out the transactions at any time at the request of the

Investment Manager or Sub-Investment Manager at fair value.

- 14.2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)
- 14.3. Each Sub-Fund's global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
- 14.4. A transaction in FDI which gives rise to a future commitment on behalf of each Sub-Fund must be covered as follows:

in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the Sub-Fund;

in the case of FDI which automatically, or at the discretion of the Sub-Fund, are cash settled, each Sub-Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
- 14.5. The total amount of premium paid or received for options, initial margin paid for futures contracts and initial outlay paid to a counterparty in the case of an OTC derivative transaction, may not exceed 15% of the net assets of the Sub-Fund.

It is intended that each Sub-Fund should have the power to avail of any change in the law, regulations or guidelines which would permit investment in assets and securities on a wider basis.

The Fund will not amend such investment restrictions except in accordance with the requirements of the Central Bank and of the Irish Stock Exchange for as long as the Shares are listed on the Irish Stock Exchange.

15. EFFICIENT PORTFOLIO MANAGEMENT

Use of techniques and instruments which relate to transferable securities and money market instruments and which are used for the purposes of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- 15.1. They are economically appropriate in that they are realised in a cost effective way;
- 15.2. They are entered into for one or more of the following specific aims:
 - 15.2.1. the reduction of risk;
 - 15.2.2. the reduction of cost; or
 - 15.2.3. the generation of additional capital or income for the Sub-Fund for a level of risk which is consistent with the risk profile of the Sub-Fund and the risk diversification rules set out in the UCITS Notices.
- 15.3. Their risks are adequately captured in the risk management process; or
- 15.4. They cannot result in a change to the Sub-Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

FDI used for efficient portfolio management must also comply with the UCITS Notices. Such FDI may comprise futures, forwards, options and swaps and their use will include hedging against market movements, currency exchange or interest rate risks in accordance with the investment policies of a Sub-Fund and under the conditions and within the limits stipulated by the Central Bank under the Regulations. A Sub-Fund may also enter into repurchase and/or reverse repurchase agreement in accordance with market practice and the requirements of the Central Bank.

The Fund must, prior to engaging in any FDI activity, employ through its service providers a risk-

management process which enables it to monitor, measure and manage at any time the risks attached to a Sub-Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Sub-Fund. It must employ a process for accurate and independent assessment of the value of OTC FDI. The Fund must, prior to engaging in any FDI activity, provide the Central Bank with details of its FDI activity and risk assessment methodology and, in accordance with particular requirements of the Central Bank shall specify, for that purpose, the permitted types of FDI, the underlying risks, the quantitative limits and how these will be monitored and enforced and the methods which are chosen in order to estimate the risks associated with transactions in any FDI applicable to a Sub-Fund. The Fund will ensure that a Sub-Fund's global exposure to FDIs does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

The Fund will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Sub-Fund.

16. BORROWING AND LENDING POWERS

The Fund may borrow up to 10% of a Sub-Fund's net assets at any time for the account of any Sub-Fund and the Custodian may charge the assets of such Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Any particular borrowing restrictions for a Sub-Fund will appear in the Supplement for the relevant Sub-Fund. Without prejudice to the powers of the Fund to invest in transferable securities, the Fund may not lend to, or act as guarantor on behalf of, third parties. A Sub-Fund may acquire debt securities and securities which are not fully paid.

17. RISK FACTORS

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to each Sub-Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase.

While the provisions of the Companies Acts 1963 to 2006 provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Sub-Fund of the Fund may not be exposed to the liabilities of other Sub-Funds of the Fund. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Sub-Fund of the Fund.

The Fund and the Investment Manager will not have control over the activities of any company or collective investment scheme invested in by a Sub-Fund. Managers of collective investment schemes and companies in which a Sub-Fund may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the Investment Manager.

The income and gains of the Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

A Sub-Fund may enter into repurchase agreements subject to the conditions and limits set out in the UCITS Notices. If the other party to a repurchase agreement should default, the Sub-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 Sub-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.

There is no assurance that each Sub-Fund will achieve its investment objective.

Subscription for Shares of a Sub-Fund is not the same as making a deposit with a bank or other deposit taking body. The value of the Shares is not insured or guaranteed by Morgan Stanley Investment Management Inc., Morgan Stanley Investment Management Limited, or anyone else and the principal invested in a Sub-Fund is capable of fluctuation.

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

In circumstances where a Sub-Fund employs hedging techniques in respect of non Base Currency denominated debt securities to hedge the currency exchange risk back to Base Currency, a risk remains that such hedging techniques may not always achieve the objective of seeking to limit losses and exchange rate risks.

The investment risks set out in this Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

18. DIVIDEND POLICY

The dividend arrangements relating to each Sub-Fund will be decided by the Directors at the time of the creation of the relevant Sub-Fund and details are set out where applicable in the Supplements.

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 Sub-Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends earned by the relevant Sub-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 Sub-Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

The Fund will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person and to pay such amount to the Revenue Commissioners in Ireland.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Sub-Fund. Dividends payable in cash to Shareholders will be paid by electronic transfer at the expense of the payee.

19. APPLICATIONS FOR SHARES

19.1. Issue of Shares

After the initial issue, 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 in each Sub-Fund will be published in its respective Base Currency. Details of the Minimum Initial Subscriptions for each Sub-Fund and any charges are set out in the Supplements.

Initial applications for Shares may be made by electronic or other means provided that a duly completed Application Form is received for initial subscriptions and such electronic or other means are in accordance with the requirements of the Central Bank. Subsequent applications may also be made by electronic or other means provided that in the case of subsequent applications by telephone that the Shareholder has elected for this facility and all ongoing anti-money laundering checks are complete. The Directors reserve the right to reject, in whole or in part, any application for Shares.

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 of the Sub-Funds received by the Administrator on any Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day based on the Net Asset Value per Share calculated on the prior Business Day.

Day Applications for all Shares in the Liquidity Sub-Funds shall begin accruing dividends on that Dealing Day provided that payment for the Shares is received by the Administrator by the relevant Settlement Date.

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.

Any applications received by the Administrator after the Dealing Deadline on the relevant Dealing Day may at the discretion of the Directors, either be processed on that Dealing Day or processed on the next Dealing Day based on the Net Asset Value per Share calculated on the next Dealing Day. The Directors 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.

The Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Directors such holding may be detrimental to the Fund, if it may result in a breach of any law or regulation, whether Irish or foreign, or if as a result thereof the Fund may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as **Prohibited Persons**). In particular, the Directors have resolved to prevent the ownership of Shares by any US Person other than pursuant to a transaction which does not violate US securities laws and as discussed below (see **Subscriptions by and Transfers to US Persons in Appendix IV**).

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.

The Directors may at their discretion issue Shares as consideration for a contribution in kind of securities, provided it is in compliance with the investment policies and restrictions of the relevant Sub-Fund and in compliance with any conditions set forth by Irish law. The transaction costs incurred in connection with the acceptance by the Directors 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 Irish law. The value so determined, together with the Net Asset Value calculated for the Shares concerned in the relevant Sub-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 Sub-Fund do not bear the transaction costs of acquiring additional assets for a large incoming Shareholder.

If the Directors determine that it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Sub-Fund which represents more than 10% of the Net Asset Value of such Sub-Fund, the Directors may decide that all or part of the application for Shares in excess of 10% be deferred until the next Dealing Day. If the Directors decide to defer all or part of the application in excess of 10% the applicant shall be informed prior to the deferral taking place.

Activities which may adversely affect the interests of the Fund's Shareholders (for example, activities that disrupt the Fund's investment strategies or impact expenses for the Fund) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Fund's Shareholders, take action as appropriate to deter such activities.

19.2. 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 Directors (a) the relevant allotment of Shares may be cancelled and an applicant may be required to compensate the Fund or (b) the Fund may charge the applicant interest at a reasonable rate or (c) the applicant may be required to compensate the Fund 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 Directors may at their 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.

19.3. Form of Shares

Shares will be issued in registered form and the share register is conclusive evidence of ownership. Contract notes providing details of the trade will normally be issued within three 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 in the Fund's share register and the number of Shares which he/she is credited with in the share register in respect of each Sub-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 Directors and if the Directors deem 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 are proof of identity. This Shareholder number should be used for all future dealings by the Shareholder with the Fund or the Administrator.

Any changes for example to the Shareholder's details or loss of Shareholder number must be notified immediately to the Administrator in writing. Failure to do so may result in delay upon repurchase. The Sub-Fund 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 outstanding will be returned to the applicant by post or bank transfer at the applicant's risk.

19.4. General Provisions

The Directors reserve the right to reject any application or to accept the application in part only. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Sub-Fund of the Fund.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended pursuant to the Articles and as discussed herein under **Suspension of Calculation of Net Asset Value**.

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Fund prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

Measures provided for in the Criminal Justice Act, 1994 (as amended and supplemented from time to time) which are aimed towards the prevention of money laundering may require detailed verification of each applicant's identity; for example an individual may be required to produce a duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company.

Depending on the circumstances of each application, a detailed verification may not be required where; (a) the investor makes payment from an account held in the applicant's name at a recognised financial institution, or (b) the application is made through a recognised intermediary, or (c) investment is made

by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has equivalent anti money laundering legislation to that in place in Ireland. Applicants may contact the Distributor in order to determine whether they meet the above exceptions.

The Administrator and the Distributor reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies.

20. REPURCHASE OF SHARES

Shareholders wishing to have all or some of their Shares repurchased by the Fund may make an application for repurchase by electronic or other means to the Administrator (once such electronic or other means are in accordance with the requirements of the Central Bank), provided that (i) in the case of repurchase requests by fax or by telephone, 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) (ii) in the case of repurchase requests by telephone that an original Application Form has been received and the Shareholder has requested this facility. Applications must include details of the name of the Sub-Fund, class of Share, the number of Shares or the amount the Shareholder wishes to have repurchased, the Shareholder's details, the Shareholder's account number and any other information required by the Repurchase Form. Failure to provide any of this information may result in delay of the application for repurchase whilst verification (which may be requested in writing) is sought from the Shareholder.

Upon repurchase of Shares, all dividends will accrue up to, and including, the Business Day prior to the Dealing Day when the application for repurchase is accepted.

Such applications for repurchase will be considered as binding and irrevocable by the Fund. Written confirmations may be required by the Fund 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 repurchase for Shares in any of the classes of the Sub-Funds received by the Administrator on any Dealing Day before the relevant Dealing Deadline will be processed on that Dealing Day based on the Net Asset Value per Share calculated on prior Business Day.

Applications received after the relevant Dealing Deadline on the relevant Dealing Day may at the discretion of the Directors, either be processed on that Dealing or processed on the next Dealing Day based on the Net Asset Value per Share calculated on the next Dealing Day. The Directors 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 repurchase 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 repurchases are made through a sub-distributor. Applicants should note that they may be unable to repurchase Shares through a sub-distributor on days that such sub-distributor is not open for business.

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

Generally payment for repurchased Shares will be effected on the same Business Day or the following Business Day as the day on which the repurchase request is received. Such repurchase proceeds will be paid in the relevant Base Currency. In the interests of the remaining Shareholders, the Directors reserve the right to delay payment for up to a further ten Business Days, if market conditions are unfavourable, or if same day payment is impractical or could have an adverse impact on the relevant Sub-Fund. Using the US Dollar Sub-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 repurchase applications received subsequent to the recommended closing time.

If any application for repurchase 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 Sub-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 Sub-Fund shall be repurchased 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. With respect to any application received in respect of the First Dealing Day, to the extent that subsequent applications shall be received in respect of following Dealing Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Dealing Day, but subject thereto shall be dealt with as set out in the preceding sentence.

Alternatively the Directors in their sole and absolute discretion may request such Shareholder to accept a payment in whole or in part by an in-kind distribution of securities of the relevant Sub-Fund in lieu of cash, provided that such payment shall not be made in-kind unless such Shareholder confirms that he/she will accept payment (whole or in part) in-kind and it is in compliance with any conditions set forth by Irish law. In the event that the Shareholder does not agree to payment (in whole or in part) in-kind and requests the Fund to sell the assets, then the Fund must do so (subject to that Shareholder being charged such costs as the Directors may deem in their discretion to be applicable). Shareholders who receive securities in lieu of cash upon repurchase 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 repurchasing Shareholder of the securities may be more or less than the repurchase 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.

Activities which may adversely affect the interests of the Fund's Shareholders (for example, activities that disrupt the Fund's investment strategies or impact expenses for the Fund) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Fund's Shareholders, take action as appropriate to deter such activities.

20.1. Limits on Repurchase

Shareholders may ask for the repurchase of all or part of their Shares of any class. However, the Fund is not bound to comply with a request for repurchase of Shares (i) if such request relates to a part of a holding which consists of Shares having a value of less than US\$10,000 (or the equivalent in the currency of the relevant Sub-Fund) or (ii) if after repurchase the holder would be left with a balance of Shares having a value of less than the Minimum Holding for that class.

20.2. Temporary Suspension of Repurchase

The right of any Shareholder to require the repurchase of the Shares of the Fund 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 the heading **Suspension of Calculation of Net Asset Value**. Notice of such suspension period will be given to any Shareholder tendering Shares for repurchase. The Shares in question will be repurchased on the first Dealing Day following the end of the suspension period.

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

20.3. Compulsory Repurchase

If the Net Asset Value of any Sub-Fund on a given Dealing Day shall become at any time less than US\$25,000,000 (or the equivalent in the currency of the relevant Sub-Fund) the Directors may, at their discretion, repurchase all but not less than all of the Shares of the applicable classes of Shares then outstanding at the repurchase price calculated on the Expiration Date (as hereinafter defined).

However, the Fund must (i) provide four weeks' written notice of repurchase to all Shareholders of the classes of Shares to be repurchased, such notice expiring on the following Dealing Day (the **Expiration Date**) and (ii) repurchase such Shares within four weeks following such Expiration Date. Shareholders shall be notified in writing of any such repurchase.

If it shall come to the attention of the Directors at any time that Shares are beneficially owned by or on behalf of a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Fund to sell his Shares and to provide the Directors with evidence of such sale within twenty one days of being so directed by the Directors, the Directors may in their discretion compulsorily repurchase such Shares in accordance with the Articles. Immediately after the close of business specified in the notice given by the Fund to the Prohibited Person of such compulsory redemption, the Shares will be repurchased and such investor will cease to be the owner of such Shares. The Fund may require any Shareholder or prospective Shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person. In particular, the Fund may require the Shareholder or prospective Shareholder to provide the Fund with information as to whether such person is a US Person. See **Subscriptions by and Transfers to U.S. Persons in Appendix IV**.

21. 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 one Sub-Fund (the **Original Class**) for Shares of the same class in a separate Sub-Fund which is being offered at that time (the **New Class**) provided that all the criteria for applying for Shares in the New Class have been met, by giving notice to the Administrator on behalf of the Fund on or prior to the Dealing Deadline for the relevant Valuation Point. The Directors however may at their sole discretion agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The Directors may not be able to exercise this discretion in all circumstances, for example where requests for exchanges 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 exchanges 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.

For the avoidance of doubt, the holders of Shares other than Cash Reserve Shares will not be able to apply to exchange all or any of their Shares for Cash Reserve Shares in the same Sub-Fund or in any other Sub-Fund. The general provisions and procedures relating to repurchases will apply equally to exchanges. All exchanges will be treated as a repurchase 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 repurchase prices of Shares in each Sub-Fund. The Articles allow for an exchange fee of up to 3% of the total repurchase price of the Shares of the Original Class repurchased to be charged, and the Directors, in their sole discretion, reserve the right to impose such fee within this limit as shall be set out in the Supplement in respect of each Sub-Fund.

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

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

R = the number of Shares of the Original Class to be exchanged;

S = the number of Shares of the New Class to be issued;

RP = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;

ER = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors on or about the Valuation Point for the relevant Dealing Day as representing the effective

rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;

SP = the issue price per Share of the New Class as at the Valuation Point for the relevant Dealing Day; and

F = the exchange charge, if any payable to the Fund, or as it may direct, on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

Shares may not be exchanged for Shares in a different Sub-Fund during any period when the calculation of the Net Asset Value of either of the relevant Sub-Funds is suspended in the manner described under **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 Sub-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 the Supplements. 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.

The Administrator will arrange for any necessary currency transaction required if there is an exchange of Shares of any class of a Sub-Fund for Shares of the same class in another Sub-Fund. Any such currency transaction may be effected with the Custodian or the Distributor and will be at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

22. ISSUE AND REPURCHASE PRICES / CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS

The initial issue price for Shares of each Sub-Fund shall be the amount(s) set out in the Supplements.

The price at which Shares of any Sub-Fund will be issued on a Dealing Day, after the initial issue, is calculated by ascertaining the Net Asset Value of the relevant Sub-Fund (i.e. the value of the assets of the Sub-Fund having deducted the liabilities of the Sub-Fund therefrom) as at the Valuation Point for that Sub-Fund for the relevant Dealing Day. The Net Asset Value per Share of the relevant Sub-Fund is calculated by dividing the Net Asset Value of the relevant Sub-Fund, by the total number of Shares in issue in the Sub-Fund at the relevant Valuation Point and rounding the result to two decimal places. Where applicable, the Net Asset Value per Share of each class in a Sub-Fund is calculated by determining that portion of the Net Asset Value of the Sub-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. In relation to the Accumulation Shares of the relevant Sub-Fund the result is rounded to four 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 are arranged in such a manner as to treat Distributing and Accumulation Class Shareholders more consistently. If a Sub-Fund has more than one class of Share, additional fees may be charged against certain classes, and details of such fees will be set forth in the Supplements for the relevant Sub-Fund. This may result in the Net Asset Value per Share of each class being different. The Valuation Point for each Sub-Fund is set out in the Supplements.

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Fund may, in calculating the issue price, include in the issue price in respect of each Sub-Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares. The Fund may also add a charge in respect of fiscal and purchase charges. Applicants may also be charged a preliminary charge as specified in the Supplements. Realised gains and

losses attributable to each Sub-Fund may be spread over a period of time, in accordance with procedures agreed by the Directors from time to time.

The price at which Shares will be repurchased on a Dealing Day, is subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Fund may, in calculating the repurchase price, deduct from the Net Asset Value per Share a charge in respect of fiscal and sales charges. Applicants may also be charged a repurchase charge as specified in the Supplements hereof.

The Fund may, in calculating the repurchase price, deduct such sum as the Directors consider fair and which is approved by the Custodian 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 Sub-Fund.

In particular, the Articles provide that the amortised cost method of valuation may be used to determine the value of (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 Fund on foot of either maturity, put option or other repayment demand feature), where the Directors have determined that the investment has a market value that approximates its amortised cost value and the investment has an annual or shorter interval coupon/interest rate re-fix or (iii) floating rate investments which meet the conditions described in (ii) above except that they have a residual maturity of up to five years, provided that they are of high credit quality and are issued by the US government, an agency or instrumentality of the US government, the government of an 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. The Articles provide that the amortised cost valuation method may be used for the valuation of the assets of a Sub-Fund which is a money market fund or for a Sub-Fund which is not a money market fund provided in the case of the latter it is only used for securities with a residual maturity of six months or less. The Directors intend to use the amortised cost method of valuation of any investments of a Sub-Fund which is a money market fund unless it is not appropriate to use such method in respect of certain investment(s) of a Sub-Fund in which case one of the methods of valuation outlined below will be used. Save as outlined in this paragraph the Directors intend to use the methods of valuation outlined below for investments of Sub-Funds which are not money market funds.

Notwithstanding the generality of the foregoing, the Directors have resolved that the amortised cost method of valuation should only be used for assets which comply with one of the following criteria:

- (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; and/or
- (d) the risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity of up to and including 397 days or are subject to a yield adjustment at least every 397 days,

provided that the money market instruments falling under (c) and (d) must also meet with the final maturity requirements of the relevant Sub-Fund's rating agency.

Under the amortised cost method, the Fund's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. The Administrator shall at least weekly determine the extent to which the Net Asset Value of the portfolio using this method of valuation deviates from the Net Asset Value which would be obtained using available market quotations. Deviations in excess of 0.1% between the market value and the amortised cost value shall be brought to the attention of the Sub-Investment Manager. Deviations in excess of 0.2% between the market value and the amortised cost value of the portfolio shall be brought to the attention of the Directors and the Custodian. If this deviation exceeds 0.3% of the Net Asset Value of the relevant Sub-Fund, the Administrator will review the valuation daily and the Directors shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, any such dilution and shall notify the Central Bank in relation to such action, if

any. Notwithstanding the generality of the foregoing, in the case of floating rate investments which fall within category (iii) above, the Directors shall utilise the market value in the event that the market value of any individual investment deviates by more than 1% from the amortised cost valuation.

In the event that the amortised cost method of valuation is deemed by the Directors 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 closing price, or if unavailable, 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 Directors 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 Directors 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 closing price, or if unavailable, the last known market price, is currently unavailable or the current price of which does not in the opinion of the Directors represent fair market value, the value of such investment shall be the probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person, in each case approved, for such purpose, by the Custodian. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager or the Sub-Investment Manager, who in each case shall have been approved for such purposes by the Custodian, shall be sufficient.

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 Directors are 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 Directors 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 Directors 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 Valuation 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 derivative 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 Directors and approved for the purpose by the Custodian.

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 will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Custodian.

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 Directors, with the approval of the Custodian, shall decide.

Any value expressed otherwise than in the base currency of the relevant Sub-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 Directors may with the approval of the Custodian 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.

23. SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Fund may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund and the right of Shareholders to require the repurchase 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 Sub-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 Directors, disposal or valuation of investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-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 Sub-Fund cannot be promptly and accurately ascertained; (iv) any period during which the Fund is unable to repatriate funds required for the purpose of making payments due on repurchase of Shares of any class in the relevant Sub-Fund or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on repurchase of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (v) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the Fund; (vi) following the circulation to the relevant shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Fund or terminate the relevant Sub-Fund is to be considered. The Fund will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one Sub-Fund to another will be notified of any such suspension in such manner as may be directed by the 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 Central Bank and the Irish Stock Exchange.

24. GENERAL CHARGES AND EXPENSES

24.1. Service provider fees

The Fund is responsible for all of the Investment Manager's reasonable out-of-pocket expenses incurred in the proper performance of its duties. Particulars of the fees payable to the Investment Manager in respect of each Sub-Fund are set out in the relevant Supplement. In addition, the Fund will also reimburse the reasonable travelling and hotel expenses of any officer or employee of the Investment Manager.

In the case of any individual Sub-Fund or class of Shares the Investment Manager may choose to waive all of its fee or any portion of it and/or absorb other expenses at its absolute discretion for any period.

The Investment Manager will pay the fees and expenses of the Custodian, the Administrator, Sub-Investment Manager (where applicable) and the Distributor appointed in respect of each Sub-Fund (all of which fees are payable monthly in arrears) out of the fees it receives from the Fund under the Investment Management Agreement.

24.2. Share dealing charges

Details of the preliminary charge payable on subscription for Shares (if any) and/or the repurchase charge payable on repurchase of Shares (if any) and/or the exchange charge payable on the exchange of Shares (if any) are set out in respect of the Shares of each Sub-Fund in the Supplements.

Details of the charges and expenses payable in relation to further Sub-Funds or share classes will be determined at the time of the creation of such further Sub-Fund or share classes and will be set out in the relevant Supplement.

24.3. Directors' remuneration

The Directors who are not directors, officers or employees of the Investment Manager or any affiliate thereof will be entitled to remuneration from the Fund for their services as Directors, provided however that the aggregate emoluments of each Director in respect of any twelve month accounting period shall not exceed Euro 35,000 (or such higher amount as may be approved by the board of Directors). 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.

24.4. Ongoing Charges and Expenses

The Fund will pay any fees 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 the Irish 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 Fund 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 Fund 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 Fund.

Such fees, duties and charges will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Sub-Fund, the expense will be allocated by the Directors with the approval of the Custodian, in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the 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.

24.5. Establishment Charges and Expenses

The cost of establishing the Fund and the expenses of the initial offer of Shares in the Sub-Funds, the preparation and printing of the initial prospectus, marketing costs and the fees of all professionals relating to it, which did not exceed US\$150,000 are being borne by the Fund and are being amortised over the first five financial years of the Fund's operation (or such other period as may be determined by the Directors at their discretion) (the **amortisation period**) and charged to the Sub-Funds set out in the Supplements (including at the discretion of the Directors subsequent Sub-Funds established by the Fund within such amortisation period) on such terms and in such manner as may be agreed between the Fund and the Distributor. Details of the establishment charges and expenses for any particular Sub-Fund are, where they are payable out of the assets of that Sub-Fund, set out in the relevant Supplement.

25. **SOFT COMMISSIONS**

It is not currently intended that any soft commission arrangements will be made in respect of the Fund.

In the event that the Investment Manager, Sub-Investment Manager or any of their subsidiaries, affiliates, associates, agents or delegates do enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Fund; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Sub-Fund and (iii) brokerage rates will not be in excess of

customary institutional full service brokerage rates. Details of any such arrangements will be contained in the next following report of the Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

26. SUB-FUND TRANSACTIONS AND CONFLICTS OF INTEREST

Subject to the provisions of this section, the Investment Manager, the Sub-Investment Manager, the Distributor, the Administrator, the Custodian, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**), may contract or enter into any financial, banking or other transaction with one another or with the Fund, including without limitation, investment by the Fund in securities of a Shareholder, or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. In particular, without limitation, any Connected Person may invest in and deal with Shares relating to any Sub-Fund or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of someone else.

In addition, any cash of the Fund may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 1998 (as amended by the Central Bank and Financial Services Authority of Ireland Act 2003), of Ireland, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Fund through the Custodian or any subsidiary, affiliate, associate, agent or delegate thereof. There will be no obligation on the part of any such Connected Person to account to Shareholders for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of Shareholders, and:-

- 26.1.1. a certified valuation of such transaction by a person approved by the Custodian (or in the case of any such transaction entered into by the Custodian, a person approved by the Directors) as independent and competent has been obtained; or
- 26.1.2. such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or

where neither (a) nor (b) are practicable,

- 26.1.3. such transaction has been executed on terms which the Custodian is (or in the case of any such transaction entered into by the Custodian, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length.

The Investment Manager and the Sub-Investment Manager may also, in the course of their respective businesses, have potential conflicts of interest with the Fund in circumstances other than those referred to above (an example being the situation where the Investment Manager or Sub-Investment Manager is valuing the Fund's assets since the fee payable to the Investment Manager or Sub-Investment Manager may increase as the value of the Fund increases). Each of the Investment Manager and the Sub-Investment Manager will, however, have regard in such event to their obligations under their respective agreements and, in particular, to its obligations to act in the best interests of the Fund and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise the Directors will endeavor to ensure that such conflicts are resolved fairly, and that investment opportunities are allocated fairly.

Notwithstanding the above, where the Investment Manager or Sub-Investment Manager recaptures a portion of brokerage fees from a broker in relation to the purchase and/or sale of securities for a Sub-Fund, such rebate (less any reasonable properly vouched fees and expenses directly incurred by the Investment Manager or the Sub-Investment Manager in arranging such rebate and agreed with the Fund) must be paid into that Sub-Fund.

The Directors may act as directors of other collective investment vehicles. Where any potential

conflicts of interest arise between their duties to the Fund and to third parties, the Directors will endeavour to ensure that any such conflicts will not unfairly prejudice the Fund.

27. TAXATION

27.1. General

The statements on taxation contained below are by way of a general guide to potential investors and Shareholders only regarding the law and practice in force in the relevant jurisdiction at the date of this document and do not constitute tax or legal advice. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

27.2. Irish Taxation

The Fund will only be subject to tax on chargeable events in respect of Shareholders who are Irish Taxable Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see below for more details).

A chargeable event occurs on:

- (i) a payment of any kind to a Shareholder by the Fund;
- (ii) a transfer of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not an Irish Taxable Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Fund which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Fund to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Fund become a liability of the Shareholder rather than the Fund. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Fund that a Shareholder is not an Irish Taxable Person or if the Fund has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Fund will be obliged to pay tax on the occasion of a chargeable event. Where the chargeable event is an income distribution tax will be deducted at the rate of 27% on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 30% on the increase in value of the shares since their acquisition. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

The Finance Act 2007 introduced an anti-avoidance provision that increases the 30% to 50% rate of tax

if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

Other than in the instances described above the Fund will have no liability to Irish taxation on income or chargeable gains.

27.3. Shareholders

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Fund to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Fund or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland and the shares, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Fund to those Shareholders who are not Irish Taxable Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Fund has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

27.4. Stamp Duty

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or re-purchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

27.5. Capital Acquisitions Tax

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that

27.5.1. at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and

27.5.2. the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

27.6. EU Savings Tax Directive

On 3 June, 2003 the Council of the European Union (ECOFIN) adopted a directive regarding the taxation of interest income. Each EU Member State must implement the directive by enacting legislation that requires paying agents (within the meaning of the directive) established within its territory to provide to the relevant competent authority details of interest payments (which includes certain payments made by collective investment undertakings such as the Fund) made to any individual and certain intermediate entities resident in another EU Member State or a territory being a dependent or associated territory of an EU Member State (**Relevant Territory**). The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the Relevant Territory of which the beneficial owner of the interest is a resident.

Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive. Belgium previously operated a withholding system but changed to the provision of information with effect from 1 January 2010.

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of a Sub-Fund to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory may have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

Broadly speaking, for income distributions, it is only if a Sub-Fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions it is only if the fund has invested more than 25% of its assets directly or indirectly in interest bearing securities, that payments received from the Sub-Fund would be subject to reporting obligations.

28. IRISH RESIDENCE AND ORDINARY RESIDENCE FOR TAX PURPOSES

28.1. Residence - Company

A company which has its central management and control in the Republic of Ireland (the State) is resident in the State irrespective of where it is incorporated. A company which does not have its central management and control in the Republic of Ireland but which is incorporated in the State is resident in the State except where:-

28.1.1. the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, resident in countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a tax treaty country

or

28.1.2. the company is regarded as not resident in the State under a double taxation treaty between the Republic of Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A Taxes Consolidation Act 1997.

28.2. Residence - Individual

An individual will be regarded as being resident in Ireland for a tax year if s/he:

28.2.1. Spends 183 or more in the State in that tax year;

or

28.2.2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Up to 31 December, 2008, presence in the State for a day means the personal presence of an individual at the end of the day (midnight). **From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.**

28.3. Ordinary Residence - Individual

The term "**ordinary residence**" as distinct from "**residence**", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of

the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2008 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year ending 31 December 2011.

28.4. Intermediary

This means a person who:-

28.4.1. carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or

28.4.2. holds units in an investment undertaking on behalf of other persons.

28.5. Jurisdictions

The income and/or gains of a Sub-Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Sub-Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Sub-Fund, the Net Asset Value of the Sub-Fund will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

28.6. United Kingdom Taxation

Please see the United Kingdom taxation section set out in Appendix III – Information for United Kingdom Investors of this Prospectus.

28.7. United States Taxation

Please see the United States taxation section set out in Appendix IV – Information for United States Investors of this Prospectus.

29. REPORTS AND ACCOUNTS

The Fund's year end is 31st July in each year. The annual report and audited accounts of the Fund will be sent to Shareholders, the Central Bank and the Irish Stock Exchange within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Fund at which they are to be submitted for approval. The Fund will also send a semi-annual report and unaudited accounts to Shareholders, the Central Bank and the Irish Stock Exchange within two months after the end of each semi-annual period which will be 31 January in each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Sub-Fund and of the investments comprised therein as at the year end or the end of such semi-annual period.

30. TRANSFER OF SHARES

Shares in each Sub-Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by it. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person (except pursuant to an exemption available under the laws of the United States and with the approval of the Directors, as discussed below in **Subscriptions by and Transfers to U.S. Persons in Appendix IV**). Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Sub-Fund (if any) specified in the Supplement hereto.

If the transferor is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person the Fund may repurchase and cancel a sufficient portion of the transferor's Shares as will enable the Fund to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

31. NOTIFICATION OF PRICES

The Net Asset Value per Share of each class in each Sub-Fund together with where relevant the dividend yield will be available from the Administrator, will be notified without delay to the Irish Stock Exchange following calculation, and each time it is calculated the latest Net Asset Value per Share will be published on the Irish Stock Exchange website. They are also listed on www.morganstanley.com/liquidity. Prices published on these websites will be kept up to date.

32. GENERAL INFORMATION

32.1. Incorporation and Share Capital

The Fund was incorporated and registered in Ireland as an investment company with variable capital on 22 April 2003 with registered number 370071.

At the date hereof the authorised share capital of the Fund is 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares.

There are no rights of pre-emption attaching to the Shares.

32.2. Articles

Clause 2 of the Articles provides that the sole object of the Fund is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

- 32.2.1. **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Fund to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Fund.
- 32.2.2. **Variation of rights.** The rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Fund is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy.
- 32.2.3. **Voting Rights.** Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of shares and subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands at a general meeting or class meeting of the Fund, every Shareholder holding shares who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share of which he is the holder.
- 32.2.4. **Change in Share Capital.** The Fund may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Fund may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any class of shares.

32.2.5. **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Fund nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested.

A Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has, directly or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Fund) or a duty which conflicts or may conflict with the interest of the Fund. A Director shall not vote (or be counted in the quorum present) on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Fund.

A Director shall be entitled (in the absence of some other material interest than is indicated under **Directors Interests** below) to vote and be counted in the quorum in respect of any resolutions concerning the following matters, namely:

32.2.6. the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Fund or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Fund or any of its subsidiary or associated companies;

32.2.7. the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Fund or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

32.2.8. any proposal concerning any offer of shares or debentures or other securities of or by the Fund or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

32.2.9. any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

The Fund by ordinary resolution may suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

32.2.10. **Borrowing Powers.** Subject to the Regulations, the Directors may exercise all the powers of the Fund to borrow or raise money and charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof, provided that all such borrowings shall be within the limits laid down by the Central Bank.

32.2.11. **Committees.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying.

32.2.12. **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.

32.2.13. **Directors' Remuneration.** Unless otherwise determined from time to time by the

- 32.2.14. **Transfer of Shares.** Subject as set out below, the shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a Prohibited Person, any person who, by holding Shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Fund incurring any liability to taxation or suffering pecuniary disadvantages and any transfer to or by a minor or a person of unsound mind. The Directors may decline to recognise any instrument of transfer unless it is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.
- 32.2.15. **Right of Repurchase.** Shareholders have the right to request the Fund to repurchase their Shares in accordance with the provisions of the Articles.
- 32.2.16. **Dividends.** The Articles permit the Directors to declare such dividends on any class of Shares as appears to the Directors to be justified by the profits of the relevant Sub-Fund. The Directors may, satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Sub-Fund, and in particular any investments to which the relevant Sub-Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Sub-Fund.
- 32.2.17. **Sub-Funds.** The Directors are required to establish a separate portfolio of assets for each Sub-Fund created by the Fund from time to time, to which the following shall apply:-
- (1) the proceeds from the allotment and issue of Shares of each class in the Sub-Fund shall be applied to the Sub-Fund established for that purpose, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Articles;
 - (2) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Sub-Fund, shall be applied in the books and records of the Fund to the same Sub-Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Sub-Fund;
 - (3) in the event that there are any assets of the Fund which the Directors do not consider are attributable to a particular Sub-Fund or Sub-Funds, the Directors shall, with the approval of the Custodian, allocate such assets to and among any one or more of the Sub-Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time, with the approval of the Custodian vary the basis in relation to assets previously allocated;
 - (4) each Sub-Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Sub-Fund in respect of or attributable to that Sub-Fund and any such liabilities, expenses, costs, charges, or reserves of the Fund not attributable to any particular Sub-Fund or Sub-Funds shall be allocated and charged by the Directors, with the approval of the Custodian, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Custodian, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;

- (5) in the event that any asset attributable to a Sub-Fund is taken in execution of a liability not attributable to that Sub-Fund, the provisions of section 256E of the Companies Act, 1990 shall apply.

32.2.18. Sub-Fund Exchanges

Subject to the provisions of the Articles, a holder holding Shares in any class in a Sub-Fund on any Dealing Day shall have the right from time to time to exchange, subject to an exchange fee being applied (as described in this Prospectus), all or any of such Shares for Shares of the same class in a separate Sub-Fund (such Sub-Fund being an existing Sub-Fund or a Sub-Fund agreed by the Directors to be brought into existence with effect from that Dealing Day).

32.2.19. Termination of Sub-Fund

any Sub-Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Custodian in any of the following events:-

- (1) if at any time the Net Asset Value of the relevant Sub-Fund shall be less than such amount as may be determined by the Directors in respect of that Sub-Fund; or
- (2) if any Sub-Fund shall cease to be authorised or otherwise officially approved; or
- (3) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund.

the Directors shall give notice of termination of a Sub-Fund to the Shareholders in the relevant Sub-Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine;

with effect on and from the date as at which any Sub-Fund is to terminate or in the case of below such other date as the Directors may determine:-

- (4) No Shares of the relevant Sub-Fund may be issued or sold by the Fund;
- (5) The Investment Manager or Sub-Investment Manager shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Sub-Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Sub-Fund as the Directors think advisable);
- (6) The Custodian shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund and available for the purpose of such distribution, provided that the Custodian shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay €1 or its equivalent amount in the relevant currency in respect of each Share of the relevant Sub-Fund and provided also that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Sub-Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Custodian or the Directors in connection with or arising out of the termination of the relevant Sub-Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
- (7) Every such distribution referred to above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine but shall be made only against production of the certificates or warrants relating to the Shares of the relevant Sub-Fund if issued in respect of which the same is made and upon delivery to the Custodian of such form of request for payment as the Custodian shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Custodian may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Custodian to deduct therefrom any expenses it

- (8) the Directors shall have the power to propose and implement a reconstruction and/or amalgamation of the Fund or any Sub-Fund(s) on such terms and conditions as are approved by the Directors subject to the following conditions namely:
- (9) that the prior approval of the Central Bank has been obtained; and
- (10) that the Shareholders in the relevant Sub-Fund or Sub-Funds have been circulated with particulars of the scheme of reconstruction and/or amalgamation in a form approved by the Directors and a special resolution of the Shareholders in the relevant Sub-Fund or Sub-Funds has been passed approving the said scheme.

The relevant scheme of reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

32.2.20. **Winding up.** The Articles contain provisions to the following effect:

- (1) If the Fund shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Sub-Fund.
- (2) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Sub-Fund attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up and secondly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.
- (3) A Sub-Fund may be wound up pursuant to section 256E of the Companies Act, 1990 and in such event the winding up provisions of the Articles shall apply mutatis mutandis in respect of that Sub-Fund.
- (4) If the Fund shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Acts, divide among the holders of shares of any class or classes within a Sub-Fund in specie the whole or any part of the assets of the Fund relating to that Sub-Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the Shareholders of the Fund or the holders of different classes of shares in a Sub-Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Fund may be closed and the Fund dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

32.2.21. **Share Qualification.** The Articles do not contain a share qualification for Directors.

32.2.22. **Change of Name.** In the event that Morgan Stanley Investment Management, Inc. ceases to be Investment Manager of the Fund, and a company within the Morgan Stanley group is not appointed in its place as the Investment Manager of the Fund, then prior to or immediately following such termination becoming effective, the Directors will arrange to

32.3. Litigation and Arbitration

The Fund is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

32.4. Directors' Interests

32.4.1. There are no service contracts in existence between the Fund and any of its Directors, nor are any such contracts proposed.

32.4.2. At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Fund and save as disclosed below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Fund.

32.4.3. At the date of this Prospectus none of the Directors nor any Associated Person have any beneficial interest in the share capital of the Fund or any options in respect of such capital.

32.4.4. Jim Dilworth and Ursula Schliessler are both managing directors of the Sub-Investment Manager.

32.4.5. Noel Langlois is an executive director of the Investment Manager.

32.5. Material Contracts

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Fund and are or may be material:

32.5.1. The Investment Management Agreement dated 22 May, 2003 between the Fund and the Investment Manager regarding each Sub-Fund. This Agreement provides that the appointment of the Investment Manager may be terminated by either party by not less than 3 months' prior written notice. Either party may terminate this Agreement by notice in writing (in accordance with the procedure set out in the Agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The Agreement contains certain indemnities in favour of the Investment Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, negligence or willful default in the performance or non-performance by the Investment Manager (or persons designated by it) of its duties or obligations under the Agreement.

32.5.2. The Custodian Agreement dated 22 May, 2003 between the Fund and the Custodian; this Agreement provides that the appointment of the Custodian shall continue until terminated by either party on not less than 90 days' prior written notice or earlier upon certain breaches or the insolvency of either party. The Custodian Agreement contains provisions governing the responsibility and limitations on the responsibility of the Custodian and provides for its indemnification in certain circumstances, subject to exclusion in the case of unjustifiable failure to perform its obligations or its improper performance of them.

32.5.3. The Administration Agreement dated 22 May, 2003 between the Fund and the Administrator; this Agreement provides that the appointment of the Administrator shall continue until

32.5.4. The Distribution Agreement dated 22 May, 2003 between the Fund and the Distributor, this Agreement provides that the appointment of the Distributor as a distributor will continue unless and until terminated by either party giving to the other party not less than three month's prior written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of the Distributor as distributor which are restricted to exclude matters arising by reason of the fraud, negligence or wilful default on the part of the Distributor, its servants or agents in the performance of its obligations and duties.

32.6. Other Contracts

The Sub-Investment Management Agreement dated 22 May, 2003 between the Investment Manager and the Sub-Investment Manager regarding the Euro Sub-Fund and the Sterling Sub-Fund. This Agreement provides that it may be terminated by either party by three month's prior written notice. Either party may terminate this Agreement by notice in writing (in accordance with the procedure set out in the Agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The Agreement contains certain indemnities in favour of the Sub-Investment Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, negligence or wilful default in the performance or non-performance by the Sub-Investment Manager (or persons designated by it) of its duties or obligations under the Agreement.

32.7. Miscellaneous

Save as disclosed under the heading **Directors' Interests** above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Fund.

Save as may result from the entry by the Fund into the agreements listed under the heading **Material Contracts** above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Fund.

No commissions, discounts, brokerages or other special terms have been paid or granted by the Fund, or are payable by the Fund for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Fund.

The Distributor may pay an amount of its fees to distributors with whom it has agreements. Additionally, each of the Investment Manager and/or Sub-Investment Manager may pay a portion of its fee to distributors, dealers or other entities that assist either of them in the performance of its duties or provide services, directly or indirectly, to the Sub-Funds or their Shareholders and may enter into private arrangements on a negotiated basis with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Distributor, Investment Manager or Sub-Investment Manager or their respective affiliates, designees or placement agents may enter into such private arrangements are a matter for the relevant entity, except that as a condition of any such arrangements, the Fund will not thereby incur any obligation or liability whatsoever.

32.8. Documents for Inspection

Copies of the following documents may be inspected at the offices of the Administrator at its address as set out in this Prospectus, during usual business hours on weekdays, except Saturdays and public holidays:

32.8.1. The Articles;

32.8.2. The material contracts referred to above;

32.8.3. The Regulations;

32.8.4. The UCITS Notices; and

32.8.5. A list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Articles (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

APPENDIX I - DEFINITIONS

Accumulation Shares	means a class of Share in a Sub-Fund carrying no right to any distribution of income but the income attributable to such Shares is retained within the relevant Sub-Fund and reflected in the Net Asset Value of such Shares. Details of any such Shares are contained in the relevant Supplements.
Administrator	means State Street Fund Services (Ireland) Limited or any other person or persons for the time being duly appointed administrator in succession to the said State Street Fund Services (Ireland) Limited.
Advisory Shares	means a class of Share in a Sub-Fund, details of which are contained in the Supplements.
Advisory Accumulation Shares	means a class of Share in a Sub-Fund, details of which are contained in the Supplements.
Application Form	means 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	means the Memorandum and Articles of Association of the Fund.
Associated Person	<p>a person is associated with a Director if, and only if, he or she is:</p> <p>that Director's spouse, parent, brother, sister or child;</p> <p>(a) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;</p> <p>(b) a partner of that Director.</p> <p>A company will be deemed to be connected with a Director if it is controlled by that Director.</p>
Base Currency	means in relation to any class of Shares such currency as is specified in the Supplements hereto (or in the relevant Supplement in the case of any subsequent Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank).
Business Day	means a day on which banks are open for business in such jurisdictions and/or cities as are specified in the Supplement hereto (or in the relevant Supplement in the case of any subsequent Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank), for the relevant Sub-Fund or such other day(s) as the Directors may, with the approval of the Custodian, determine.
Cash Reserve Shares	means a class of Shares in a Sub-Fund which is offered to a particular category of prospective investor, details of which are contained in the Supplements. There may be more than one class of Cash Reserve Shares in a Sub-Fund.
Cash Reserve I Shares	means a class of Share in a Sub-Fund which is offered to the Gartmore group of companies and/or the clients of the Gartmore group of companies. Details of such classes are contained in the Supplements. The name of the Cash Reserve I Shares within a Sub-Fund will be the name of that Sub-Fund and Share class prefaced by Gartmore .
Cash Reserve II Shares	means a class of Share in a Sub-Fund which is offered to the Gartmore group

of companies and/or the clients of the Gartmore group of companies. Details of such classes are contained in the Supplements. The name of the Cash Reserve II Shares within a Sub-Fund will be the name of that Sub-Fund and Share class prefaced by **Gartmore**.

Central Bank	means the Central Bank of Ireland or any successor authority.
Companies Acts	the Companies Acts 1963 to 2006 including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.
Connected Person	means the persons defined as such in the section headed Sub-Fund Transactions and Conflicts of Interest .
Corporate Shares	means a class of Shares in a Sub-Fund, details of which are contained in the Supplements.
Corporate Accumulation Shares	means a class of Shares in a Sub-Fund, details of which are contained in the Supplements.
Custodian	means State Street Custodial Services (Ireland) Limited or any other person or persons for the time being duly appointed Custodian hereof in succession to State Street Custodial Services (Ireland) Limited.
Dealing Day	means in relation to each class of Shares such day or days as is specified in the relevant Supplement or such other day(s) as the Directors may with the approval of the Custodian determine and notify in advance to Shareholders.
Dealing Deadline	means in relation to applications for subscription, exchange or repurchase of Shares in a Sub-Fund, the dates and times specified in the Supplement for the relevant Sub-Fund.
Directors	means the directors of the Fund.
Distributing Shares	means a class of Share in a Sub-Fund carrying a right to a distribution of income. Details of any such Shares are contained in the relevant Supplements.
Distributor	means Morgan Stanley Investment Management Limited or any other person or persons for the time being duly appointed distributor of the Fund or any of the Fund's Sub-Funds in succession to Morgan Stanley Investment Management Limited in accordance with the requirements of the Central Bank.
EU	means the European Union.
Euro Sub-Fund	means the Euro Liquidity Fund.
Foreign Person	means a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the company with the appropriate declaration under Schedule 2B TCA and the Fund is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.
Fund	means Morgan Stanley Funds p.l.c.
FDI	means financial derivative instruments.

Group Companies	companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.
Initial Issue Price	means the price per Share at which Shares are initially offered in a Sub-Fund for such period as is specified in the Supplement for the relevant Sub-Fund.
Institutional Shares	means a class of share in a Sub-Fund, details of which are contained in the Supplements.
Institutional Accumulation Shares	means a class of share in a Sub-Fund, details of which are contained in the Supplements.
Institutional Select Shares	means a class of Shares in a Sub-Fund, details of which are contained in the Supplements.
Institutional Select Accumulation Shares	means a class of Shares in a Sub-Fund, details of which are contained in the Supplements.
Investment Manager	means Morgan Stanley Investment Management, Inc or any other person or persons for the time being duly appointed investment manager of the Fund or of any of the Fund's Sub-Funds in succession to Morgan Stanley Investment Management, Inc.
Irish Holiday	means such dates that are bank holidays in the Republic of Ireland being New Year's Day (1 January if falling on a week day, or if not, the holiday given on the next week day in respect of New Year's Day), St. Patrick's Day (17 March if falling on a week day, or if not, the holiday given on the next week day in respect of St. Patrick's Day), Good Friday, Easter Monday, the first Monday in May, the first Monday in June, the first Monday in August, the last Monday in October, Christmas Day (25 December if falling on a week day, or if not, the holiday given on the next week day in respect of Christmas Day) and St Stephen's Day (26 December if falling on a week day, or if not, the holiday given on the next week day in respect of St Stephen's Day).
Irish Taxable Person	means any person, other than:- <ul style="list-style-type: none"> (i) a Foreign Person; (ii) an intermediary, including a nominee, for a Foreign Person ; (iii) the Administrator (or any management company if applicable) for so long as the Administrator (or management company) is a qualifying management company within the meaning of section 734 TCA; (iv) a specified company within the meaning of section 734 TCA; (v) an investment undertaking within the meaning of section 739(B) of the TCA; (vi) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA; (vii) a company carrying on life business within the meaning of section 706 TCA; (viii) a special investment scheme within the meaning of section 737 TCA; (ix) a unit trust to which section 731(5)(a) TCA applies;

- (x) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xi) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA , section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xii) the Courts Service;
- (xiii) a Credit Union;
- (xiv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (xv) a company within the charge to corporation tax under section 110(2) TCA;
- (xvi) the National Pensions Reserve Fund Commission; and
- (xvii) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Fund in respect of that Shareholder under section 739 TCA

in respect of each of which the appropriate declaration set out in Schedule 2B TCA and such other information evidencing such status is in the possession of the Fund on the appropriate date.

Irish Stock Exchange	means the Irish Stock Exchange Limited, and any successor thereto.
Liquidity Sub-Funds	mean collectively the US Dollar Liquidity Fund, the Euro Liquidity Fund, the Sterling Liquidity Fund and the US Treasury Fund.
Member State	means a member state of the EU (the current member states being:-Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom).
Minimum Holding	means such number of Shares or Shares having such value (if any) as is specified for the relevant Sub-Fund in the Supplement hereto.
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 Sub-Fund as is specified for the relevant Sub-Fund in the Supplement hereto.
money market instruments	shall have the meaning prescribed in the UCITS Notices.
Month	means calendar month.
MS Reserve Shares	means a class of Shares in a Sub-Fund (details of which are contained in the relevant Supplement(s)) 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 and/or a performance fee may be payable to the Distributor or its affiliates under separate arrangements with the Distributor.
MS Reserve Accumulation Shares	means a class of Shares in a Sub-Fund (details of which are contained in the

relevant Supplement(s)) 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 and/or a performance fee may be payable to the Distributor or its affiliates under separate arrangements with the Distributor.

**Net Asset Value or
Net Asset
Value Per Share**

means in respect of the assets of a Sub-Fund or in respect of a share of any class, the amount determined in accordance with the principles set out in this Prospectus under the heading **Issue and Repurchase Price/Calculation of Net Asset Value/Valuation of Assets** as the Net Asset Value of a Sub-Fund or the Net Asset Value per Share.

OECD

means the Organisation for Economic Co-operation and Development (the current members being :- Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom and United States).

OTC

means over the counter.

Prospectus

means the prospectus issued from time to time by the Fund as amended, supplemented, consolidated or otherwise modified from time to time.

Repurchase Form

means the form which may be submitted to make an application to repurchase Shares.

Regulations

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (S.I. No. 211 of 2003) as amended and supplemented from time to time and includes any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Fund.

Related Companies

has the meaning assigned thereto in Section 140(5) of the Companies Act, 1990 as amended from time to time. In general, this provision states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company.

Repo Shares

means a class of share in a Sub-Fund, targeted at those investors who want the ability for their shares to be placed on a securities settlement system for collateral management purposes, details of which are contained in the Supplements.

Settlement Date

means in respect of receipt of monies for payment of subscription monies or dispatch of monies for the repurchase of Shares the dates specified in the Supplements for each Sub-Fund.

Shares

means shares in the Fund and includes, where the context so permits or requires, the Shares in a Sub-Fund which may be divided into different classes, namely Advisory Shares, Institutional Shares, Cash Reserve I, Cash Reserve II, Corporate and Repo Shares, Advisory Accumulation Shares, Institutional Accumulation Shares and Corporate Accumulation Shares.

Shareholders

means holders of Shares, and each a **Shareholder**.

Sterling Sub-Fund

means the Sterling Liquidity Fund.

Sub-Funds

means any sub-fund of the Fund established from time to time, details of which are set out in the Supplements hereto.

Sub-Investment Manager

means Morgan Stanley Investment Management Limited or any other person

or persons for the time being duly appointed sub-investment manager of the Fund or of any of the Fund's Sub-Funds in succession to Morgan Stanley Investment Management Limited.

Subscription Form	means the subscription form to be completed in respect of each purchase of Shares.
Supplements	means the supplements to this Prospectus (each a Supplement) and any Supplement issued by the Fund in relation to the creation of new Sub-Funds and/or share classes.
transferable securities	shall have the meaning prescribed in the UCITS Notices
TCA	means the Irish Taxes Consolidation Act, 1997 as amended from time to time.
UCITS	means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.
UCITS Directive	means the EC Council Directive 85/0111 EEC of 20 December 1985 (OJ No. L375/3 of 31 December 1985) on the Co-ordination of Laws, Regulations and Administrative Provisions relating to UCITS, as amended, supplemented or replaced from time to time.
UCITS Notices	mean the notices and guidance notes issued by the Central Bank from time to time pursuant to the Regulations.
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland.
United States or U.S. or US	means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).
United States Person or U.S. Person	has the meaning ascribed to it in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time.
US Dollar Sub-Fund	means the US Dollar Liquidity Fund.
US Treasury Fund	means the US Dollar Treasury Liquidity Fund.
Valuation Point	means the point in time by reference to which the Net Asset Value of a Sub-Fund is calculated as is specified in the Supplements for the relevant Sub-Fund.

In this Prospectus references to **Euro** and **€** are references to the lawful currency of Ireland, references to **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.

APPENDIX II - MARKETS

The exchanges/markets are set out below in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment will be limited to the following stock exchanges and regulated markets:-

- (i) any stock exchange which is:
 - (a) located in any Member State; or
 - (b) located in a member state of the European Economic Area (Norway, Iceland and Liechtenstein); or
 - (c) located in any of the following countries:- Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or

- (ii) any stock exchange or regulated market included in the following list:-

The market organised by the International Securities Market Association;

The UK market (i) conducted by banks and other institutions regulated by the Financial Services Authority (FSA) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the **Non-Investment Products** Code drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as **The Grey Paper**).

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for **Titres de Créances Négociables** (over-the-counter market in negotiable debt instruments).

AIM-the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange.

- (iii) In relation to any derivatives contract used, any exchange or market on which such contract may be sold or acquired must be an exchange or market which (i) is regulated, (ii) operates regularly, (iii) is recognised, (iv) is open to the public and (v) is located in any Member State or located in a member state of the European Economic Area (Norway, Iceland and Liechtenstein) or listed at (a) (ii) above.

APPENDIX III - ADDITIONAL INFORMATION FOR UNITED KINGDOM INVESTORS

Morgan Stanley Funds p.l.c.

General

This Appendix should be read in conjunction with the Fund's Prospectus, of which it forms part. References to the “**Prospectus**” are to be taken as references to that document as supplemented or amended.

The Fund is a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 (“**FSMA**”) of the United Kingdom. The Prospectus is distributed in the United Kingdom by or on behalf of the Fund and is approved by Morgan Stanley Investment Management Limited, which is regulated by the Financial Services Authority (“**FSA**”), for the purposes of section 21 of the FSMA.

Morgan Stanley Investment Management Limited is acting for the Fund in relation to the Prospectus and all matters relating to it and Morgan Stanley Investment Management Limited or any of its associates may have an interest or position in Shares of the Fund. It is not acting for, or advising or treating as its customer any other person (unless other arrangements apply between Morgan Stanley Investment Management Limited and such person) in relation to investment in the Fund.

Important

A United Kingdom investor who enters into an investment agreement with the Fund to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the Financial Services Authority in the United Kingdom because that investor will not have received any advice in relation to an investment in the Fund. The agreement will be binding upon acceptance of the order by the Fund.

The Fund does not carry on any regulated activities from a permanent place of business in the United Kingdom and United Kingdom investors are advised that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund. Shareholders in the Fund may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

Any investor wishing to make a complaint regarding any aspect of the Fund or its operations may do so directly to the Fund or to Morgan Stanley Investment Management Limited.

Potential investors should note that the investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in shares and other securities, in addition to the additional risks associated with investment in certain of the Sub-Funds, as described under the “**Investment Objectives and Policies**” section of the Prospectus and in the Supplements for the relevant Sub-Funds.

The value of investments and the income from them, and therefore the value of, and income from, Shares of each Class relating to each Sub-Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase.

Publication of Information

The current Net Asset Value per Share of each Class of Shares is available after each Valuation Point, following its calculation and notification to the Irish Stock Exchange, from the Administrator, at the office of Morgan Stanley Investment Management Limited and published on the Irish Stock Exchange website.

The Net Asset Value per Share for each Sub-Fund will be published in its respective Base Currency. They are also listed on www.morganstanley.com/liquidity.

UK Taxation

The statements on taxation below do not constitute legal or tax advice and are a general summary of the anticipated United Kingdom tax treatment of United Kingdom resident and domiciled investors holding Shares as an investment.

The summary is based on the taxation law in force and practice understood to be applicable in the United Kingdom on the date of this Prospectus, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change, possibly with retrospective effect. The summary is not a guarantee to any investor of the tax results of investing in the Fund.

The rates, bases and levels of, and any relief from, taxation can change. Tax treatment depends on the individual circumstances of the investor, and investors and prospective investors should inform themselves of, and where appropriate take advice on, the tax consequences applicable to the subscription, purchase, holding and redemption of Shares in the country of their citizenship, residence or domicile and any other country in which they are liable to taxation.

Investors and prospective investors should note that provisions have been included in the Finance Act 2008 giving powers to HM Treasury to provide, by regulation, a new set of tax rules dealing with the taxation of offshore funds which would change the tax treatment of United Kingdom investors in offshore funds summarised below. Draft regulations have been published with a view to the new regime coming into force in Spring 2009. The United Kingdom government has stated that it will continue to consult on this issue and the details of such regulations.

The Fund

It is the intention of the Directors to conduct the affairs of the Fund so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Fund will not be liable to United Kingdom income tax or corporation tax on income or gains earned on or derived from the Fund's investments save for tax on certain income deriving from a United Kingdom source, for example, interest with a United Kingdom source (United Kingdom tax on this interest being levied by withholding at source).

Shareholders

Shareholders that are resident in the United Kingdom for taxation purposes may, subject to their personal circumstances, be liable to United Kingdom income tax or corporation tax in respect of any dividends paid by the Fund or any other income distributions made by the Fund.

“Reporting Fund” Status

On the basis that the Fund provides arrangements for the separate pooling of the contributions of investors to the Fund and the profits or income out of which payments are made to investors in the Fund, the Fund is an umbrella fund for United Kingdom tax purposes. In addition, all of the Funds within the Fund consist of different classes of Shares. The United Kingdom offshore funds rules therefore apply in relation to each separate class of Shares, as if each class of Shares formed a separate offshore fund for United Kingdom tax purposes.

From 1st December 2009, a new regime for the taxation of UK resident or UK ordinarily resident Shareholders in offshore funds came into force. Rather than funds being certified as "distributing funds", they may be certified as "reporting funds". Investors in such funds should retain capital gains treatment on disposal of their holdings. The Fund may decide which Share Classes to apply for "reporting fund" status and has moved to "reporting fund" status from 1st August 2010 for relevant Share Classes. As the Fund is a Constant NAV Fund for the UK taxation purposes, it does not need to publish details of Reportable Income as all income is distributed daily and those amounts become taxable upon distribution. In all cases, there can, however, be no guarantee that "reporting fund" certification will be obtained.

If approval as a "reporting fund" is granted, "reporting fund" status will apply to Shares of that class for each period of account of the Fund provided the Fund continues to comply with the applicable rules in respect Shares of that class and does not elect for Shares of that class to become a "non-reporting fund".

For so long as “reporting fund” status is maintained, any profit on a disposal of Shares of that class (for example, by way of transfer or redemption including switching between classes of Shares) by an investor should fall to be taxed as a capital gain (subject to the rules outlined below for corporate investors in Bond Funds).

If “reporting fund” status is not maintained for any accounting period (or is not initially sought or obtained) in respect of a class of Shares, any gain arising on a disposal of Shares of that class (for example, by way of transfer or redemption including switching between classes of Shares) will constitute income for all purposes of United Kingdom taxation.

Taxation of Bond Funds

A fund is considered a bond fund for UK taxation purposes if the holding of a class of Shares in “qualifying investments” (as detailed below) at any time exceeds 60% of the market value of all investments held by that class of Shares. Given the current structure and investment objectives of the Funds, these rules are likely to be relevant.

“Qualifying investments” are: (a) money placed at interest (other than cash awaiting investment); (b) securities (other than shares in a company); (c) shares in a building society; (d) qualifying holdings in a unit trust scheme, an offshore fund or an open-ended investment company (this can be interpreted as a holding in a unit trust, offshore fund or OEIC which would itself fail the non-qualifying investment test in respect of its holdings of investments listed in (a) to (c) above or (e) to (h) below); (e) alternative finance arrangements; (f) derivative contracts in respect of currency or any of the matters listed in (a) to (e) above; (g) contracts for differences relating to interest rates, creditworthiness or currency; and (h) derivative contracts not within (f) or (g) where there is a hedging relationship between the derivative contract and an asset within (a) to (d) above.

An individual resident or ordinarily resident in the UK for taxation purposes who holds Shares of a bond fund will be taxed on dividends from that bond fund as if that payment was a payment of interest. As a result, no tax credit will attach to the payment for UK taxation purposes. These rules may apply to a dividend received by UK resident or ordinarily resident investor from a bond fund notwithstanding that it may have divested of its holding at the date it receives the dividend.

A company resident in the UK for taxation purposes that holds Shares of a bond fund will be taxed on a fair value basis for each year of its investment as if its interest in the relevant Shares was a right under a creditor loan relationship. These rules will apply to a UK resident corporate investor if the 60% limit is exceeded at any time during that investor’s accounting period, even if it was not holding Shares of that class at that time.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the “**controlled foreign companies**” provisions contained in Chapter IV of Part XVII of ICTA. These provisions affect UK resident companies which are deemed to be interested, either alone or together with certain connected or associated persons, in at least 25 per cent of the “**chargeable profits**” of a non-resident company (such as the Fund), which (i) is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes, (ii) is subject to a “**lower level**” of taxation in the territory in which it is resident, and (iii) does not distribute substantially all of its income. Although it is anticipated that the Distributing Shares will distribute substantially all of the income of the Fund attributable to them, the Accumulation Shares will not, so this legislation may be relevant. The Fund’s “**chargeable profits**” for this purpose do not include its capital gains.

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of the undistributed income (if any) of the Fund on an annual basis.

The attention of persons resident or ordinarily resident in the United Kingdom (and who, if individuals, are (i) also domiciled in the United Kingdom; or (ii) not domiciled in the United Kingdom and not subject to United Kingdom taxation on the remittance basis) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person who holds 10 per cent or more of the Shares in the Fund if, at the same time, the Fund is controlled in such a manner as to render it a company that would, were it to be resident in the United Kingdom, be a “**close**”

company for United Kingdom taxation purposes. These provisions could, if applicable, result in such a person being treated for the purposes of United Kingdom taxation as if a proportionate part of any gain accruing to the Fund (such as on a disposal of any of its investments) had accrued to that person at the time when the chargeable gain accrued to the Fund.

Stamp Duty

An instrument transferring Shares in the Fund will, if executed in the United Kingdom, be liable to ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid, rounded up to the nearest £5.

Application and Repurchase Procedures

The attention of investors is drawn to the application and repurchase procedures contained in the Prospectus and the relevant Supplement in particular with regard to the deadlines for the relevant Sub-Funds. Application and repurchase requests should be sent to the Administrator in Ireland details of which are contained on the Application Form.

Documents Available For Inspection

Copies of the following documents may be inspected free of charge during usual business hours on any week day (Saturday and public holidays excepted) at the offices of the Administrator and at the offices of Morgan Stanley Investment Management Limited.

- (i) the Memorandum and Articles of Association of the Fund;
- (ii) the Prospectus of the Fund; and
- (iii) the financial reports of the Fund.

The above documents may be delivered to interested investors at their request.

APPENDIX IV – ADDITIONAL INFORMATION FOR UNITED STATES INVESTORS

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular: the Shares have not been registered under the United States Securities Act of 1933 (as amended) (the 1933 Act) and may not be directly or indirectly offered or sold in the United States or to any United States Person, except in a transaction which does not violate United States securities laws and as discussed below (see Subscriptions by and Transfers to US Persons). The Fund will not be registered under the United States Investment Company Act of 1940 (as amended) (the 1940 Act).

1. SUBSCRIPTIONS BY AND TRANSFERS TO US PERSONS

The Directors may authorise the purchase by or transfer of Shares to or on behalf of a U.S. Person if:

- 1.1.1. such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of States of the U.S.;
- 1.1.2. such purchase or transfer would not require the Fund to register under the 1940 Act; and
- 1.1.3. there will be no adverse regulatory, tax or fiscal consequences to the Fund or its Shareholders as a result of such a purchase or transfer.

Each applicant for Shares who was offered Shares in the United States or who is or could be deemed to be a U.S. Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that such requirements are met prior to approval of such sale or transfer by the Directors. The Directors may determine from time to time the number of U.S. Persons who may be admitted into the Fund. The Directors have determined to permit the private sale of Shares in the United States or to U.S. Persons to **accredited investors** (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are also **qualified purchasers** (as defined in Section 2(a)(51) of the 1940 Act) under restrictions and other circumstances designed to preclude any requirement to register the Shares under the 1933 Act or any securities law of any state of the United States, or to prevent the Fund from becoming subject to the registration requirements of the 1940 Act, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements.

The Directors may refuse an application for Shares by or for the account or benefit of any U.S. Person or decline to register a transfer of Shares to or for the account or benefit of any U.S. Person and may require the compulsory redemption or transfer of Shares beneficially owned by any U.S. Person.

Shareholders are also required to notify the Fund immediately in the event that they become a U.S. Person and the Fund may, at its discretion, redeem or otherwise dispose of the Shares to non U.S. Persons. Shareholders and prospective Shareholders are also directed to the section entitled *United States Taxation*.

1.2. ERISA Issues

The U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes certain requirements with respect to **employee benefit plans** (as defined in Section 3(3) of ERISA) subject to ERISA and Section 4975 of the Code imposes certain requirements with respect to plans and arrangements subject thereto (each, a **Plan**) and on persons and entities that are **fiduciaries** (as defined in Section 3(21) of ERISA) with respect to such Plans. If at any time Shares representing 25% or more in the value of any class of equity (excluding Shares held by certain persons with control over, or who provide advice regarding, Fund assets, and their affiliates, **Controlling Persons**) are owned by **benefit plan investors**, as defined in Section 2510.3-101 of the U.S. Department of Labor Regulations under ERISA (the **Plan Asset Regulations**), (i) Fund assets may be deemed to be assets of any Plan which invests in Shares of the Fund, (ii) the Custodian, the Investment Manager and other persons and entities with authority over the Fund may be considered fiduciaries with respect to such Plans, and (iii) under certain circumstances, fiduciaries of an investing Plan could be liable for any ERISA violations by the Custodian, the Investment Manager or other persons and entities with authority over the Fund. More generally, the liabilities, obligations and other responsibilities of Plan sponsors, various Plan fiduciaries and administrators and **parties in interest** and **disqualified persons** (as defined under

ERISA and the Code) under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded and increased, except to the extent (if any) that a favorable statutory or administrative exemption or exception applies. Assurances will be required from investors that are Plans to the effect that the purchase and holding of Shares do not and will not constitute, result in or otherwise involve a nonexempt prohibited transaction under ERISA or Section 4975 of the Code or, in the case of such another plan, a violation of any such substantially similar law.

Currently, the Fund does not intend to accept any purchase by, approve any transfer to or permit any redemption of Shares by benefit plan investors (as determined under the Plan Asset Regulations) if as a result 25% or more of any class of Shares of a Sub-Fund would be owned by benefit plan investors. In addition, the Fund may require one or more holders of a Class of Shares that are benefit plan investors to redeem a portion of their Shares if, due to redemptions by other investors, 25% or more of that Class of Shares of a Sub-Fund would be owned by benefit plan investors. Assurances will be required of all investors as to whether they are or may be benefit plan investors.

Employee benefit plans which are not subject to ERISA, including for example governmental and non-U.S. plans, may be subject to laws regulating employee benefit plans other than ERISA. Such plans should conclude that an investment in the Fund would satisfy all such laws before making such an investment (and, as indicated above, may be required to make certain assurances to the Fund).

As the Fund restricts investors in Shares to non-U.S. Persons and to U.S. Persons that are either qualified eligible persons as defined in Commodities Futures Trading Commission Rule 4.7(a)(2) or accredited investors as defined in Rule 501(a) (1)-(3), (a)(7) or (a)(8), each of the Fund and its Investment Manager is exempt from registration as a commodities pool operator (CPO) and, unlike a registered CPO, is not required to deliver a disclosure document and a certified annual report to investors in Shares.

The Shares will be issued in registered form only. All investors purchasing in the United States private placement will be required to provide the Fund with a duly completed and executed IRS Form W-9 or other IRS form (for example W-8BEN or W-8ECI) and update such form as necessary to avoid backup withholding on amounts received in respect of their investment in the Fund.

2. TAXATION

The discussion of tax matters set forth below was written in connection with the placement of Shares and was not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under U.S. federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain U.S. federal income tax considerations relevant to a U.S. Holder (as defined below) acquiring, holding and disposing of Shares. This summary is based upon existing and available U.S. federal income tax law, which is subject to change, possibly with retroactive effect.

For purposes of this summary, a **U.S. Holder** is a beneficial owner of Shares that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organized under the law of, the United States or any State or political subdivision thereof, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or (iv) a trust the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust.

This summary does not discuss all aspects of U.S. federal income taxation which may be important to particular investors in light of their particular circumstances, including investors subject to special tax rules, such as financial institutions, insurance companies, broker-dealers, tax-exempt organizations, partnerships, partners in partnerships that invest in Shares, holders who are not U.S. Holders, holders who own (actually or by attribution) 10% or more of a Sub-Fund, investors that hold Shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or investors that have a functional currency other than the U.S. dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not discuss any non-U.S., state or local tax considerations. This summary assumes that investors will hold their Shares as **capital assets** (generally, property held for investment) under the U.S. Internal

Revenue Code of 1986, as amended. Prospective investors are urged to consult their own tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax considerations relevant to an investment in the Shares.

As the law applicable to the U.S. federal income taxation of instruments such as the Shares is technical and complex, the discussion below necessarily represents only a general summary.

Passive Foreign Investment Company Rules. There is a substantial likelihood, and this discussion assumes, that each Sub-Fund will be classified as a passive foreign investment company (a **PFIC**) for U.S. federal income tax purposes. In general, a non-U.S. corporation will be classified as a PFIC for any taxable year if at least (i) 75% of its gross income is classified as **passive income** or (ii) 50% of the average quarterly value of its assets produce or are held for the production of passive income. Passive income includes, among other things, dividends, interest and rental income not treated as earned in connection with the conduct of a trade or business. Prospective investors should consult their own advisors about the treatment of an investment in Shares if a Sub-Fund is not classified as a PFIC.

Absent a U.S. Holder validly making one of the elections discussed below, if a Sub-Fund is a PFIC for any taxable year during which an investor is a U.S. Holder, the investor will be subject to special tax rules with respect to (i) **excess distributions** received and (ii) any gain realized from a sale or other disposition (including a pledge) of Shares. Excess distributions are distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the Shares. Under these special tax rules, (i) the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the Shares and (ii) the amount allocated to the current taxable year will be treated as ordinary income; and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax due in such year) will be imposed on the resulting tax attributable to each such year. Whether a U.S. Holder is subject to these rules or the rules described below, the U.S. Holder will be required to file additional U.S. tax forms with respect to its investments in the Shares.

Mark-to-market election. If Shares are **marketable securities** for purposes of the PFIC rules, a U.S. Holder may make an election to include gain or loss on the Shares as ordinary income or loss under a mark-to-market method of accounting. To be marketable securities Shares would have to be regularly traded on a qualifying exchange (i) in the United States or (ii) outside the United States that is properly regulated and meets certain trading, listing, financial disclosure and other requirements. There can be no assurance that Shares will be listed or regularly traded on a qualified exchange for these purposes. If an effective mark-to-market election is made after the initial taxable year in which a U.S. Holder owns Shares, distributions during the first year for which the election is in effect will be subject to the rules described in the preceding paragraph as well as any mark-to-market gain for that year. Except as provided in the previous sentence, a U.S. Holder that makes an effective mark-to-market election will include in each year as ordinary income the excess of the fair market value of its Shares at the end of the year over its adjusted tax basis in the Shares. Similarly, any gain realized on the sale, exchange or other disposition of the Shares would be treated as ordinary income. The U.S. Holder will be entitled to deduct as an ordinary loss each year the excess of its adjusted tax basis in the Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's adjusted tax basis in the Shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If a U.S. Holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Shares are no longer regularly traded on a qualified exchange or the Internal Revenue Service consents to the revocation of the election. Prospective investors are urged to consult their own tax advisors about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Qualified Electing Fund Election. Each Sub-Fund intends to make information available to U.S. Holders that would permit them to make an election to treat the Sub-Fund as a **qualified electing fund** for U.S. federal income tax purposes.

Distributions. To the extent that a distribution paid on a Share is not subject to the **excess distribution** rules described above, the U.S. dollar value of the distribution (including amounts withheld in respect of foreign income tax) will be taxable as ordinary income to the extent of the Sub-Fund's current or accumulated earnings and profits, as computed for U.S. federal income tax purposes. Dividends on the

Shares will not be eligible for the preferential income tax rate on **qualified dividend income** under U.S. federal income tax law, or the dividends received deduction available for certain corporate dividends. Dividends on the Shares generally will be foreign source income for U.S. foreign tax credit purposes. Sale, Exchange or Other Disposition of Shares. Subject to the special rules regarding the sale, exchange or other disposition of Shares discussed above, a U.S. Holder generally will recognize U.S. source capital gain or loss on the sale, exchange or other disposition of Shares equal to the difference between the U.S. dollar value of the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Shares. A U.S. Holder's adjusted basis in its Shares generally will equal the U.S. dollar value of the amount paid for such Shares, as adjusted under the rules described above. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the Shares for more than one year at the time of the sale, exchange or other disposition. The deductibility of capital losses is subject to significant limitations.

Unrelated Business Taxable Income. A U.S. Holder that is generally exempt from U.S. federal income tax and that does not borrow to purchase or carry Shares, generally will not be subject to the unrelated business income tax with respect to payments received as a result of its investment in Shares and any gains from the disposition of Shares.

U.S. Reporting and Backup Withholding Rules. A U.S. Holder may be subject to information reporting unless it establishes that payments to it are exempt from these rules (e.g., payments to corporations generally are exempt from these rules). Payments that are subject to information reporting may be subject to backup withholding if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is provided to the Internal Revenue Service.

A U.S. Holder may be required to report, with its tax return for the tax year that includes the date on which the purchase of Shares occurs, certain information relating to the purchase to the IRS. Failure to report this information properly can cause a U.S. Holder to be subject to a penalty equal to 10% per cent of the gross amount paid for the Shares, subject to a maximum penalty equal of \$100,000. This limit does not apply in cases of intentional disregard.

Prospective U.S. Investors should consult their own tax advisors about the application of any other U.S. tax reporting rules that may apply to an investment in the Shares.

The Articles of the Fund give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the relevant Sub-Fund incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage which that Sub-Fund might not otherwise have incurred or suffered. The Articles also permit the Directors where necessary to repurchase and cancel Shares (including fractions thereof) held by a person who is an Irish Taxable Person on the occurrence of a chargeable event for Irish taxation purposes.

As discussed above, none of the Shares have been or will be registered under the 1933 Act or the laws of any State and, except as described in the section **Subscriptions by and Transfers to US Persons** above, none of the Shares may be offered or sold, directly or indirectly, in the United States, or, to any United States Person, each as defined in Appendix I - Definitions. The Fund has not been and will not be registered under the 1940 Act. The Directors may arrange the offer and sale of a portion of the Shares to sophisticated institutional investors which are United States Persons in transactions which are exempt from registration requirements of the 1933 Act.

US Dollar Liquidity Fund Supplement

US Dollar Liquidity Fund (the US Dollar Sub-Fund)

1. INVESTMENT OBJECTIVE

The US Dollar Sub-Fund's investment objective is to provide liquidity and an attractive rate of income, to the extent consistent with the preservation of capital.

2. INVESTMENT POLICY

The US Dollar Sub-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 markets set out in Appendix II of the Prospectus and will comply with the maturity limits disclosed in the section entitled **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** above.

The US Dollar Sub-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.

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the US Dollar Sub-Fund will remain stable at US\$1.00, through the distribution of dividends.

3. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

All investments shall have at the time of purchase a rating of the highest short term credit rating category of **P-1** by Moody's Investors Service, Inc.; or a short term rating of comparable quality from Standard & Poor's Corporation or Fitch Ratings; or a long term rating comparable to Moody's short term P-1 rating from any of Moody's Investors Service, Inc., Standard & Poor's Corporation or Fitch Ratings. In the event that these are downgraded and no longer constitute high quality investments the Fund will adopt the priority objective of remedying the situation by disposing of the investments, taking into account the interests of the Shareholders.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

4. EFFICIENT PORTFOLIO MANAGEMENT

The US Dollar Sub-Fund does not currently invest in FDI but may do so in the future and may utilise efficient portfolio management techniques and instruments in accordance with the conditions and limits set down by the Central Bank from time to time.

The US Dollar Sub-Fund may enter into repurchase agreements for efficient portfolio management purposes in accordance with the conditions and limits set down by the Central Bank from time to time.

This should be read in conjunction with the section 15 entitled **Efficient Portfolio Management** above.

5. BORROWING AND LENDING POWERS

The US Dollar Sub-Fund may borrow up to 10% of its net assets on a temporary basis at any time for the account of the US Dollar Sub-Fund. The US Dollar Sub-Fund may not lend to, or act as guarantor on behalf of third parties.

6. RISK FACTORS

The general risk factors as set out in the **Risk Factors** section in the Prospectus apply.

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

7. DIVIDEND POLICY

The Directors intend to declare all net income of the US Dollar Sub-Fund attributable to the Shares other than the Accumulation Shares on each Dealing Day as a dividend to Shareholders (other than Shareholders of Accumulation Shares) on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share of each class (other than the classes of Accumulation Shares) at US \$1.00. Dividends will be declared daily and are payable monthly on or about the first Business Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the US Dollar Sub-Fund and/or realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the US Dollar Sub-Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional shares of the same class in the US Dollar Sub-Fund unless Shareholders specifically advise on the Application Form that dividends be paid by electronic transfer. Different levels of dividend may be declared and paid on each class of Shares. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares, the payment to them of accrued dividends on those Shares will, if the date of repurchase is other than the first Business Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on the first Business Day of the next month following the repurchase, provided that dividends shall only accrue up to and including the Business Day prior to when the application for repurchase is accepted.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

In the case of Accumulation Shares, the US Dollar Sub-Fund intends to retain the net income and/or capital gains attributable to such Shares within the Sub-Fund and the value of the Accumulation Shares shall change accordingly. Given that any income and/or capital gains attributable to the Accumulation Shares will not be distributed, the Accumulation Shares will not have a stable Net Asset Value of USD1.00 per Share.

8. KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency	US Dollar
Business Day and	means every day (except a Saturday or Sunday) upon which
Dealing Day	banks in New York and Dublin are open for normal business. In addition a business/dealing day may also include at the discretion of the directors those

days upon which banks in New York are open for business and which are Irish Holidays and notified in advance to the Shareholders.

Classes of Shares

Distributing Shares

Institutional Shares
 Institutional Select Shares
 Corporate Shares
 Advisory Shares
 Cash Reserve I Shares
 Repo Shares
 MS Reserve Shares

Accumulation Shares

Institutional Accumulation Shares
 Institutional Select Accumulation Shares
 Corporate Accumulation Shares
 Advisory Accumulation Shares
 MS Reserve Accumulation Shares

	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
<i>Institutional Shares</i>	US \$5 million	None	US \$1,000
<i>Institutional Select Shares</i>	US \$1 million	None	US \$1,000
<i>Corporate Shares</i>	US \$2.5 million	None	US \$1,000
<i>Advisory Shares</i>	US \$1 million	None	US \$1,000
<i>Cash Reserve I Shares</i>	US \$1 million	None	US \$1,000
<i>Repo Shares</i>	US \$20 million	None	US \$1,000
<i>MS Reserve Shares</i>	None	None	US \$1,000
<i>Institutional Accumulation Shares</i>	US \$5 million	None	US \$1,000
<i>Institutional Select Accumulation Shares</i>	US \$1 million	None	US \$1,000
<i>Corporate Accumulation Shares</i>	US \$2.5 million	None	US \$1,000
<i>Advisory Accumulation Shares</i>	US \$1 million	None	US \$1,000
<i>MS Reserve Accumulation Shares</i>	None	None	US \$1,000

The Directors may for each relevant class of Share waive such minimum initial subscription and minimum holding amounts in their absolute discretion.

In the event that the balance of a Shareholder's account is below the minimum holding amount for six consecutive months or more, the Directors may in their absolute direction close such account by compulsorily repurchasing the relevant Shares.

Initial Issue Prices

Institutional Select Shares	US\$1.00 per Share
Institutional Select Accumulation Shares	US\$100 per Share
MS Reserve Shares	US\$1.00 per Share
MS Reserve Accumulation Shares	US\$100 per Share

All other Shares in the US Dollar Sub-Fund are available at the relevant Net Asset Value per Share price on the Dealing Day in question.

Initial Offer Period

Institutional Select Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
Institutional Select Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.

The Initial Offer Periods for the other available Shares in the US Dollar Sub-Fund have closed and such Shares are continuously available for subscription on any Dealing Day.

Dealing Deadline 4:00 p.m. (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 In the case of subscription(s), a completed Subscription Form (and in the case of an initial investment, a completed Application Form) must have been received and accepted by the Administrator before the Dealing Deadline for the relevant Dealing Day unless otherwise approved by the Directors and payment must be received before the end of the relevant Business Day. If cleared funds are not received by the end of the Business Day, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in the **Applications for Shares** section of this Prospectus.

In the case of repurchases of 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 on the same Dealing Day (and in any event no later than 10 Business Days) after the receipt of the relevant duly signed repurchase documentation.

Valuation Point 5.30 p.m. (Eastern Standard Time) on the Business Day prior to the Dealing Day.

Investment Management Fee

The investment management fee differs for the various classes of Shares as follows:-

<i>Institutional Shares</i>	0.20% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Institutional Shares.
<i>Institutional Select Shares</i>	0.21% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Institutional Select Shares.
<i>Corporate Shares</i>	0.30% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Corporate Shares.
<i>Advisory Shares</i>	0.45% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Advisory Shares.
<i>Cash Reserve I Shares</i>	0.415% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Cash Reserve I Shares.
<i>Repo Shares</i>	0.20% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Repo Shares.
<i>MS Reserve Shares</i>	Nil.
<i>Institutional Accumulation Shares</i>	0.20% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Institutional Accumulation Shares.
<i>Institutional Select Accumulation Shares</i>	0.21% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Institutional Select Shares.
<i>Corporate Accumulation Shares</i>	0.30% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Corporate Accumulation Shares.
<i>Advisory Accumulation Shares</i>	0.45% per annum of the Net Asset Value of the US Dollar Sub-Fund attributable to the Advisory Accumulation Shares.
<i>MS Reserve Accumulation Shares</i>	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 Sub-Fund. No performance fees will be payable by the US Dollar Sub-Fund.

There are no preliminary charges payable. Repurchase charges are not normally payable but the Directors reserve the right at their sole discretion to impose a repurchase charge of up to 2% of the total repurchase price of the Shares in exceptional circumstances where the Directors believe that this is appropriate to protect the interests of the Fund. The Directors also reserve the right at their sole discretion, to impose an exchange fee of up to 3% of the total repurchase price of the Shares in respect of an exchange of Shares of any class held in one Sub-Fund for Shares of the same class in another Sub-Fund.

The general charges and expenses which may be charged against the US Dollar Liquidity Fund are described under the section entitled General Charges and Expenses above.

9. LISTING

The following Share Classes of the US Dollar Sub-Fund issued and available for issue were admitted to the Official List and trading on the main securities market of the Irish Stock Exchange on the dates indicated below

- Institutional Shares: 9 June 2007.
- Cash Reserve I Shares: 31 March 2004.
- Institutional Accumulation Shares: 21 June 2007.
- Advisory Accumulation Shares: 19 August 2008.

No application has been made to list the Shares of the US Dollar Sub-Fund on any other exchange. It is not expected that an active secondary market will develop in the Shares.

Euro Liquidity Fund Supplement

Euro Liquidity Fund (the Euro Sub-Fund)

1. INVESTMENT OBJECTIVE

The Euro Sub-Fund's investment objective is to provide liquidity and an attractive rate of income, to the extent consistent with the preservation of capital.

2. INVESTMENT POLICY

The Euro Sub-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 stock exchanges or markets set out in Appendix II of the Prospectus and will comply with the maturity limits disclosed in the section entitled **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** above.

The Euro Sub-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.

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the Euro Sub-Fund will remain stable at €1.00, through the distribution of dividends.

3. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

All investments shall have at the time of purchase a rating of the highest short term credit rating category of **P-1** by Moody's Investors Service, Inc.; or a short term rating of comparable quality from Standard & Poor's Corporation or Fitch Ratings; or a long term rating comparable to Moody's short term P-1 rating from any of Moody's Investors Service, Inc., Standard & Poor's Corporation or Fitch Ratings. In the event that these are downgraded and no longer constitute high quality investments the Fund will adopt the priority objective of remedying the situation by disposing of the investments, taking into account the interests of the Shareholders.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

4. EFFICIENT PORTFOLIO MANAGEMENT

The Euro Sub-Fund does not currently invest in FDI but may do so in the future and may utilise efficient portfolio management techniques and instruments in accordance with the conditions and limits set down by the Central Bank from time to time

This should be read in conjunction with the section 15 entitled **Efficient Portfolio Management** above.

5. BORROWING AND LENDING POWERS

The Euro Sub-Fund may borrow up to 10% of its net assets on a temporary basis at any time for the account of the Euro Sub-Fund. The Euro Sub-Fund may not lend to, or act as guarantor on behalf of third parties.

6. RISK FACTORS

The general risk factors as set out in the **Risk Factors** section in the Prospectus apply

Although it is intended to maintain a stable Net Asset Value per Distribution Share in the Euro Sub-Fund, there can be no assurance that a stable Net Asset Value per Share will be maintained. The value of the Sub-Fund may be affected by the creditworthiness of issuers of the Sub-Fund's investments and, notwithstanding the policy of the Sub-Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

7. DIVIDEND POLICY

The Directors intend to declare all net income of the Euro Sub-Fund attributable to the Shares other than the Accumulation Shares on each Dealing Day as a dividend to Shareholders (other than Shareholders of Accumulation Share) on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share of each class (other than classes of Accumulation Shares) at €1.00. Dividends will be declared daily and are payable monthly on or about the first Business Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the Euro Sub-Fund and realised and/or unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the Euro Sub-Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional shares of the same class in the Euro Sub-Fund unless Shareholders specifically advise on the Application Form that dividends be paid by electronic transfer. Different levels of dividend may be declared and paid on each class of Shares. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares, the payment to them of accrued dividends on those Shares will, if the date of repurchase is other than the first Business Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on the first Business Day of the next month following the repurchase, provided that dividends shall only accrue up to and including the Business Day prior to when the application for repurchase is accepted.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

In the case of Accumulation Shares, the Euro Sub-Fund intends to retain the net income and/or capital gains attributable to such Shares within the Sub-Fund and the value of the Accumulation Shares shall change accordingly. Given that any income and/or capital gains attributable to the Accumulation Shares will not be distributed, the Accumulation Shares will not have a stable Net Asset Value of Euro 1.00 per Share.

8. KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency	Euro
Business Day and	means every day (except a Saturday or Sunday) upon which banks
Dealing Day	in London and Dublin are open for normal business. In addition a business/dealing day may also include at the discretion of the directors those days upon which banks in London are open for business and which are Irish Holidays and notified in advance to the Shareholders.
Classes of Shares	
Distributing Shares	Institutional Shares

Institutional Select Shares
 Corporate Shares
 Advisory Shares
 Cash Reserve I Shares
 Repo Shares
 MS Reserve Shares

Accumulation Shares

Institutional Accumulation Shares
 Institutional Select Accumulation Shares
 Corporate Accumulation Shares
 Advisory Accumulation Shares
 MS Reserve Accumulation Shares

	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
<i>Institutional Shares</i>	€5 million	None	€1,000
<i>Institutional Select Shares</i>	€1 million	None	€1,000
<i>Corporate Shares</i>	€2.5 million	None	€1,000
<i>Advisory Shares</i>	€1 million	None	€1,000
<i>Cash Reserve I Shares</i>	€1 million	None	€1,000
<i>Repo Shares</i>	€20 million	None	€1,000
<i>MS Reserve Shares</i>	None	None	€1,000
<i>Institutional Accumulation Shares</i>	€5 million	None	€1,000
<i>Institutional Select Accumulation Shares</i>	€1 million	None	€1,000
<i>Corporate Accumulation Shares</i>	€2.5 million	None	€1,000
<i>Advisory Accumulation Shares</i>	€1 million	None	€1,000
<i>MS Reserve Accumulation Shares</i>	None	None	€1,000

The Directors may for each relevant class of Share waive such minimum initial subscription and minimum holding amounts in their absolute discretion.

In the event that the balance of a Shareholder's account is below the minimum holding amount for six consecutive months or more, the Directors may in their absolute direction close such account by compulsorily repurchasing the relevant Shares.

Initial Issue Price

Institutional Select Shares €1.00 per Share

Institutional Select

Accumulation Shares	€100 per Share
MS Reserve Shares	€1.00 per Share
MS Reserve Accumulation Shares	€100 per Share
Repo Shares	€1.00 per Share

All other Shares in the Euro Sub-Fund are available at the relevant Net Asset Value per Share price on the Dealing Day in question.

Initial Offer Period

Institutional Select Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
Institutional Select Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 18 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.

The Initial Offer Periods for the other available Shares in the Euro Sub-Fund have closed and such Shares are continuously available for subscription on any Dealing Day.

Dealing Deadline	1.00 p.m. (Greenwich Mean 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.
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Settlement Date	In the case of subscription(s), a completed Subscription Form (and in the case of an initial investment, a completed Application Form) must have been received and accepted by the Administrator before the Dealing Deadline for the relevant Dealing Day unless otherwise approved by the Directors and payment must be received before the end of the relevant Business Day. If cleared funds are not received by the end of the Business Day, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in the Applications for Shares section of this Prospectus.
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In the case of repurchases of 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 on the same Dealing Day (and in any event no later than 10 Business Days) after the receipt of the relevant duly signed repurchase documentation.

Valuation Point	3.00p.m. (Greenwich Mean Time) on the Business Day prior to the Dealing Day.
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Investment Management Fee	The investment management fee differs for the various classes of Shares as
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follows:-

<i>Institutional Shares</i>	0.20% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Institutional Shares.
<i>Institutional Select Shares</i>	0.21% per annum of the Net Asset Value of the Euro Sub- Fund attributable to the Institutional Select Shares.
<i>Corporate Shares</i>	0.30% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Corporate Shares.
<i>Advisory Shares</i>	0.45% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Advisory Shares.
<i>Cash Reserve I Shares</i>	0.415% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Cash Reserve I Shares.
<i>Repo Shares</i>	0.20% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Repo Shares.
<i>MS Reserve Shares</i>	Nil.
<i>Institutional Accumulation Shares</i>	0.20% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Institutional Accumulation Shares.
<i>Institutional Select Accumulation Shares</i>	0.21% per annum of the Net Asset Value of the Euro Sub- Fund attributable to the Institutional Select Shares.
<i>Corporate Accumulation Shares</i>	0.30% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Corporate Accumulation Shares.
<i>Advisory Accumulation Shares</i>	0.45% per annum of the Net Asset Value of the Euro Sub-Fund attributable to the Advisory Accumulation Shares.
<i>MS Reserve Shares</i>	Nil.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Euro Sub-Fund. No performance fees will be payable by the Euro Sub-Fund.

There are no preliminary charges payable. Repurchase charges are not normally payable but the Directors reserve the right at their sole discretion to impose a repurchase charge of up to 2% of the total repurchase price of the Shares in exceptional circumstances where the Directors believe that this is appropriate to protect the interests of the Fund. The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 3% of the total repurchase price of the Shares in respect of an exchange of Shares held in one Sub-Fund for Shares in another Sub-Fund.

The general charges and expenses which may be charged against the Euro Liquidity Fund are described under the section entitled General Charges and Expenses above.

9. LISTING

The following Share Classes of the Euro Sub-Fund issued and available for issue were admitted to the Official List and trading on the main securities market of the Irish Stock Exchange on the dates indicated below

- Institutional Shares: 9 June 2003.
- Institutional Accumulation Shares: 8 May 2007

- Advisory Shares: 13 May 2010

No application has been made to list the Shares of the Euro Sub-Fund on any other exchange. It is not expected that an active secondary market will develop in the Shares.

Sterling Liquidity Fund Supplement

Sterling Liquidity Fund (the Sterling Sub-Fund)

1. INVESTMENT OBJECTIVE

The Sterling Sub-Fund's investment objective is to provide liquidity and an attractive rate of income, to the extent consistent with the preservation of capital.

2. INVESTMENT POLICY

The Sterling Sub-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 markets set out in Appendix II of the Prospectus and will comply with the maturity limits disclosed in the section entitled **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** above.

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

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

It is expected, although it cannot be assured, that the Net Asset Value per Share of the Distributing Shares in the Sterling Sub-Fund will remain stable at £1.00, through the distribution of dividends.

3. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

All investments shall have at the time of purchase a rating of the highest short term credit rating category of **P-1** by Moody's Investors Service, Inc.; or a short term rating of comparable quality from Standard & Poor's Corporation or Fitch Ratings; or a long term rating comparable to Moody's short term P-1 rating from any of Moody's Investors Service, Inc., Standard & Poor's Corporation or Fitch Ratings. In the event that these are downgraded and no longer constitute high quality investments the Fund will adopt the priority objective of remedying the situation by disposing of the investments, taking into account the interests of the Shareholders.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

4. EFFICIENT PORTFOLIO MANAGEMENT

The Sterling Sub-Fund does not currently invest in FDI but may do so in the future and may utilise efficient portfolio management techniques and instruments in accordance with the conditions and limits set down by the Central Bank from time to time

This should be read in conjunction with the section 15 entitled **Efficient Portfolio Management** above.

5. BORROWING AND LENDING POWERS

The Sterling Sub-Fund may borrow up to 10% of its net assets on a temporary basis at any time for the account of any the Sterling Sub-Fund. The Sterling Sub-Fund may not lend to, or act as guarantor on

behalf of third parties.

6. RISK FACTORS

The general risk factors as set out in the **Risk Factors** section in the Prospectus apply.

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

7. DIVIDEND POLICY

The Directors intend to declare all net income of the Sterling Sub-Fund attributable to the Shares other than the Accumulation Shares on each Dealing Day as a dividend to Shareholders (other than Shareholders of Accumulation Shares) on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share of each class (other than classes of Accumulation Shares) at £1.00. Dividends will be declared daily and are payable monthly on or about the first Business Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the Sterling Sub-Fund and/or realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the Sterling Sub-Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional shares of the same class in the Sterling Sub-Fund unless Shareholders specifically advise on the Application Form that dividends be paid by electronic transfer. Different levels of dividend may be declared and paid on each class of Shares. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares, the payment to them of accrued dividends on those Shares will, if the date of repurchase is other than the first Business Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on the first Business Day of the next month following the repurchase, provided that dividends shall only accrue up to and including the Business Day prior to when the application for repurchase is accepted.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

In the case of Accumulation Shares, the Sterling Sub-Fund intends to retain the net income and/or capital gains attributable to such Shares within the Sub-Fund and the value of the Accumulation Shares shall change accordingly. Given that any income and/or capital gains attributable to the Accumulation Shares will be not distributed the Accumulation Shares will not have a stable Net Asset Value of £1.00 per Share.

8. KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

Sterling

Investors should note that if the United Kingdom participates in the third or any later stage of the European Monetary Union, the Directors (having notified the Shareholders in advance) may convert the base currency of the Sterling Sub-Fund from Sterling to Euro. The Directors will consult with the Sterling Sub-Fund's Custodian to determine the best means to effect conversion.

Business Day and Dealing Day

means every day (except a Saturday or Sunday) upon which banks in London and Dublin are opened for normal business. In addition a business/dealing day may also include at the discretion of the directors those

days upon which banks in London are open for business and which are Irish Holidays and notified in advance to the Shareholders.

Classes of Shares

Distributing Shares

Institutional Shares
 Institutional Select Shares
 Corporate Shares
 Advisory Shares
 Cash Reserve I Shares
 Cash Reserve II Shares
 Repo Shares
 MS Reserve Shares

Accumulation Shares

Institutional Accumulation Shares
 Institutional Select Accumulation Shares
 Corporate Accumulation Shares
 Advisory Accumulation Shares
 MS Reserve Accumulation Shares

	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
<i>Institutional Shares</i>	£5 million	None	£1,000
<i>Institutional Select Shares</i>	£1 million	None	£1,000
<i>Corporate Shares</i>	£2.5 million	None	£1,000
<i>Advisory Shares</i>	£1 million	None	£1,000
<i>Cash Reserve I Shares</i>	£1 million	None	£1,000
<i>Cash Reserve II Shares</i>	£5 million	None	£1,000
<i>Repo Shares</i>	£20 million	None	£1,000
<i>MS Reserve Shares</i>	None	None	£1,000
<i>Institutional Accumulation Shares</i>	£5 million	None	£1,000
<i>Institutional Select Accumulation Shares</i>	£1 million	None	£1,000
<i>Corporate Accumulation Shares</i>	£2.5 million	None	£1,000
<i>Advisory Accumulation Shares</i>	£1 million	None	£1,000
<i>MS Reserve Accumulation Shares</i>	None	None	£1,000

The Directors may for each relevant class of Share waive such minimum initial subscription and minimum holding amounts in their absolute discretion.

In the event that the balance of a Shareholder's account is below the minimum holding amount for six consecutive months or more, the Directors may in their absolute direction close such account by compulsorily repurchasing the relevant Shares.

Initial Issue Price

Corporate Accumulation and Advisory Accumulation Shares	£100 per Share
Institutional Select Shares	£1.00 per Share
Institutional Select Accumulation Shares	£100 per Share
MS Reserve Shares	£1.00 per Share
MS Reserve Accumulation Shares	£100 per Share

All other Shares in the Sterling Sub-Fund are available at the relevant Net Asset Value per Share price on the Dealing Day in question

Initial Offer Period

Institutional Select Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
Institutional Select Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 18 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.

The Initial Offer Periods for the other available Shares in the Sterling Sub-Fund have closed and such Shares are continuously available for subscription on any Dealing Day.

Dealing Deadline 1:00 p.m. (Greenwich Mean 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 In the case of subscription(s), a completed Subscription Form (and in the case of an initial investment, a completed Application Form) must have been

received and accepted by the Administrator before the Dealing Deadline for the relevant Dealing Day unless otherwise approved by the Directors and payment must be received before the end of the relevant Business Day. If cleared funds are not received by the end of the Business Day, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in the **Applications for Shares** section of this Prospectus.

In the case of repurchases of 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 on the same Dealing Day (and in any event no later than 10 Business Days) after the receipt of the relevant duly signed repurchase documentation.

Valuation Point	4.00p.m. (Greenwich Mean Time) on the Business Day prior to the Dealing Day.
Investment Management Fee	The investment management fee differs for the various classes of Shares as follows:-
<i>Institutional Shares</i>	0.20% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Institutional Select Shares</i>	0.21% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Corporate Shares</i>	0.30% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Advisory Shares</i>	0.45% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Cash Reserve I Shares</i>	0.415% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Cash Reserve II Shares</i>	0.20% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Repo Shares</i>	0.20% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to the Repo Shares.
<i>MS Reserve Shares</i>	Nil.
<i>Institutional Accumulation Shares</i>	0.20% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to the Institutional Accumulation Shares.
<i>Institutional Select Accumulation Shares</i>	0.21% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Corporate Accumulation Shares</i>	0.30% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to the Corporate Accumulation Shares.
<i>Advisory Accumulation Shares</i>	0.45% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to the Advisory Accumulation Shares.
<i>MS Reserve Accumulation</i>	

Shares

Nil.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Sterling Sub-Fund. No performance fees will be payable by the Sterling Sub-Fund.

There are no preliminary charges payable. Repurchase charges are not normally payable but the Directors reserve the right at their sole discretion to impose a repurchase charge of up to 2% of the total repurchase price of the Shares in exceptional circumstances where the Directors believe that this is appropriate to protect the interests of the Fund. The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 3% of the total repurchase price of the Shares in respect of an exchange of Shares held in one Sub-Fund for Shares in another Sub-Fund.

The general charges and expenses which may be charged against the Sterling Liquidity Fund are described under the section entitled General Charges and Expenses above.

9. LISTING

The following Share Classes of the Sterling Sub-Fund issued and available for issue were admitted to the Official List and trading on the main securities market of the Irish Stock Exchange on the dates indicated below:

- Institutional Shares: 9 June 2003.
- Institutional Accumulation Shares: 21 June 2007.
- Advisory Shares: 9 June 2003.
- Cash Reserve I Shares: 31 March 2004.
- Cash Reserve II Shares: 31 March 2004.

No application has been made to list the Shares of the Sterling Sub-Fund on any other exchange. It is not expected that an active secondary market will develop in the Shares.

US Dollar Treasury Liquidity Fund Supplement

US Dollar Treasury Liquidity Fund (the US Treasury Sub-Fund)

1. INVESTMENT OBJECTIVE

The US Treasury Sub-Fund's investment objective is to provide liquidity and an attractive rate of income, to the extent consistent with the preservation of capital.

2. INVESTMENT POLICY

The US Treasury Sub-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 markets set out in Appendix II of the Prospectus and will comply with the maturity limits disclosed in the section entitled **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** above.

The US Treasury Sub-Fund will to a significant extent also enter into repurchase and/or reverse repurchase agreements in respect of treasuries which constitute money market instruments for the purposes of efficient portfolio management in accordance with market practice and the requirements of the Central Bank.

The US Treasury Sub-Fund may also hold cash.

It is expected, although it cannot be assured, that the US Treasury Sub-Fund's Net Asset Value per Share of each Distributing Share class will remain stable at US\$1.00, through the distribution of dividends.

3. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

All investments shall have at the time of purchase a rating of the highest short term credit rating category of **P-1** by Moody's Investors Service, Inc.; or a short term rating of comparable quality from Standard & Poor's Corporation or Fitch Ratings; or a long term rating comparable to Moody's short term P-1 rating from any of Moody's Investors Service, Inc., Standard & Poor's Corporation or Fitch Ratings. In the event that these are downgraded and no longer constitute high quality investments the Fund will adopt the priority objective of remedying the situation by disposing of the investments, taking into account the interests of the Shareholders.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

4. EFFICIENT PORTFOLIO MANAGEMENT

The US Treasury Sub-Fund does not currently invest in FDI but may do so in the future and may utilise efficient portfolio management techniques and instruments in accordance with the conditions and limits set down by the Central Bank from time to time

As noted above, the US Treasury Sub-Fund may enter into treasury repurchase agreements for efficient portfolio management purposes in accordance with market practice and the conditions and limits set down by the Central Bank from time to time.

This should be read in conjunction with the section 15 entitled **Efficient Portfolio Management** above.

5. BORROWING AND LENDING POWERS

The US Treasury Sub-Fund may borrow up to 10% of its net assets on a temporary basis at any time for the account of the US Treasury Sub-Fund. The US Treasury Sub-Fund may not lend to, or act as guarantor on behalf of third parties.

6. RISK FACTORS

The general risk factors as set out in the **Risk Factors** section in the Prospectus apply.

Although it is intended to maintain a stable Net Asset Value per Share of each Distributing Share Class in the US Treasury Sub-Fund, there can be no assurance that a stable Net Asset Value per Share will be maintained. The value of the Sub-Fund may be affected by the creditworthiness of issuers of the Sub-Fund's investments and, notwithstanding the policy of the Sub-Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

7. DIVIDEND POLICY

The Directors intend to declare all net income of the US Treasury Sub-Fund attributable to the Shares other than the Accumulation Shares on each Dealing Day as a dividend to Shareholders (other than Shareholders of Accumulation Shares) on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share of each class (other than the classes of Accumulation Shares) at US \$1.00. Dividends will be declared daily and are payable monthly on or about the first Business Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the US Treasury Sub-Fund and/or realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the US Treasury Sub-Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional shares of the same class in the US Treasury Sub-Fund unless Shareholders specifically advise on the Application Form that dividends be paid by electronic transfer. Different levels of dividend may be declared and paid on each class of Shares. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares, the payment to them of accrued dividends on those Shares will, if the date of repurchase is other than the first Business Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on or about the first Business Day of the next month following the repurchase, provided that dividends shall only accrue up to and including the Business Day prior to when the application for repurchase is accepted.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

In the case of Accumulation Shares, the US Treasury Sub-Fund intends to retain the net income and/or capital gains attributable to such Shares within the Sub-Fund and the value of the Accumulation Shares shall change accordingly. Given that any income and/or capital gains attributable to the Accumulation Shares will not be distributed, the Accumulation Shares will not have a stable Net Asset Value of US\$1.00 per Share.

8. KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency

US Dollar

Business Day and Dealing Day

means every day (except a Saturday or Sunday) upon which banks in New York and Dublin are open for normal business. In addition a business/dealing day may also include at the discretion of the Directors those

days upon which banks in New York are open for business and which are Irish Holidays and notified in advance to the Shareholders.

Classes of Shares

Distributing Shares

Institutional Shares
 Institutional Select Shares
 Corporate Shares
 Advisory Shares
 MS Reserve Shares

Accumulation Shares

Institutional Accumulation Shares
 Institutional Select Accumulation Shares
 Corporate Accumulation Shares
 Advisory Accumulation Shares
 MS Reserve Accumulation Shares

	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
<i>Institutional Shares</i>	US \$5 million	None	US \$1,000
<i>Institutional Select Shares</i>	US \$1 million	None	US \$1,000
<i>Corporate Shares</i>	US \$2.5 million	None	US \$1,000
<i>Advisory Shares</i>	US \$1 million	None	US \$1,000
<i>MS Reserve Shares</i>	None	None	US \$1,000
<i>Institutional Accumulation Shares</i>	US \$5 million	None	US \$1,000
<i>Institutional Select Accumulation Shares</i>	US \$1 million	None	US \$1,000
<i>Corporate Accumulation Shares</i>	US \$2.5 million	None	US \$1,000
<i>Advisory Accumulation Shares</i>	US \$1 million	None	US \$1,000
<i>MS Reserve Accumulation Shares</i>	None	None	US \$1,000

The Directors may for each relevant class of Share waive such minimum initial subscription and minimum holding amounts in their absolute discretion.

In the event that the balance of a Shareholder's account is below the minimum holding amount for six consecutive months or more, the Directors may in their absolute direction close such account by compulsorily repurchasing the relevant Shares.

Initial Issue Price

Institutional Select Shares €1.00 per Share

Institutional Select Accumulation Shares	€100 per Share
MS Reserve Shares	€1.00 per Share
MS Reserve Accumulation Shares	€100 per Share

All other Shares in the US Treasury Sub-Fund are available at the relevant Net Asset Value per Share price on the Dealing Day in question

Initial Offer Period

Institutional Select Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
Institutional Select Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.
MS Reserve Accumulation Shares	From 9.00 a.m. (Irish time) to 5.00pm (Irish time) on 1 April 2011 unless shortened or extended as the Directors may determine and notify to the Central Bank.

The Initial Offer Periods for the other available Shares in the US Treasury Sub-Fund have closed and such Shares are continuously available for subscription on any Dealing Day.

Dealing Deadline	4:00 p.m. (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.
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Settlement Date	In the case of subscription(s), a completed Subscription Form (and in the case of an initial investment, a completed Application Form) must have been received and accepted by the Administrator before the Dealing Deadline for the relevant Dealing Day unless otherwise approved by the Directors and payment must be received before the end of the relevant Business Day. If cleared funds are not received by the end of the Business Day, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in the Applications for Shares section of this Prospectus.
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In the case of repurchases of 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 on the same Dealing Day (and in any event no later than 10 Business Days) after the receipt of the relevant duly signed repurchase documentation.

Valuation Point	5.30pm (Eastern Standard Time) on the Business Day prior to the Dealing Day.
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Investment Management Fee	The investment management fee differs for the various classes of Shares as follows:-
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<i>Institutional Shares</i>	0.20 % per annum of the Net Asset Value of the US Treasury Sub-Fund attributable to the Institutional Shares.
<i>Institutional Select Shares</i>	0.21% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Corporate Shares</i>	0.30% per annum of the Net Asset Value of the US Treasury Sub-Fund attributable to the Corporate Shares.
<i>Advisory Shares</i>	0.45% per annum of the Net Asset Value of the US Treasury Sub-Fund attributable to the Advisory Shares.
<i>MS Reserve Shares</i>	Nil.
<i>Institutional Accumulation Shares</i>	0.20% per annum of the Net Asset Value of the US Treasury Sub-Fund attributable to the Institutional Accumulation Shares.
<i>Institutional Select Accumulation Shares</i>	0.21% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of share.
<i>Corporate Accumulation Shares</i>	0.30% per annum of the Net Asset Value of the US Treasury Sub-Fund attributable to the Corporate Accumulation Shares.
<i>Advisory Accumulation Shares</i>	0.45% per annum of the Net Asset Value of the US Treasury Sub-Fund attributable to the Advisory Accumulation Shares.
<i>MS Reserve Accumulation Shares</i>	Nil.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the US Treasury Sub-Fund. No performance fees will be payable by the US Treasury Sub-Fund.

There are no preliminary charges payable. Repurchase charges are not normally payable but the Directors reserve the right at their sole discretion to impose a repurchase charge of up to 2% of the total repurchase price of the Shares in exceptional circumstances where the Directors believe that this is appropriate to protect the interests of the Fund. The Directors also reserve the right at their sole discretion, to impose an exchange fee of up to 3% of the total repurchase price of the Shares in respect of an exchange of Shares of any class held in one Sub-Fund for Shares of the same class in another Sub-Fund.

The general charges and expenses which may be charged against the US Treasury Liquidity Fund are described under the section entitled General Charges and Expenses above.

The costs of establishing the US Treasury Sub-Fund which are not expected to exceed €15,000 will be borne by the Sub-Fund and amortised over the first five financial years of the US Treasury Sub-Fund's operation (or such other period as may be determined by the Directors at their discretion).

9. LISTING

Shares in the Institutional Share class of the US Treasury Sub-Fund issued and available for issue were admitted to the Official List and trading on the main securities market of the Irish Stock Exchange on 30 October 2008.

No application has been made to list the Shares of the US Treasury Sub-Fund on any other exchange. It is not expected that an active secondary market will develop in the Shares.

SIMPLIFIED PROSPECTUS