

OS AA01

Statement of details of parent law and other information for an overseas company

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 Companies House

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What this form is for
 You may use this form to accompany your accounts disclosed under parent law.

What this form is NOT
 You cannot use this form for an alteration of manner of accounting requirements with accounting requirements.

Part 1 Corporate company name

Corporate name of overseas company ①	MORGAN STANLEY MILLBRAE INVESTMENTS B.V.
UK establishment number	B R 0 0 8 6 9 4

→ **Filling in this form**
 Please complete in typescript or in bold black capitals.
 All fields are mandatory unless specified or indicated by *
 ① This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1	Legislation
Legislation ②	DUTCH CIVIL CODE

② This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2	Accounting principles
Accounts	Have the accounts been prepared in accordance with a set of generally accepted accounting principles? Please tick the appropriate box. <input type="checkbox"/> No. Go to Section A3. <input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.
Name of organisation or body ③	DUTCH ACCOUNTING STANDARDS BOARD

③ Please insert the name of the appropriate accounting organisation or body.

A3	Accounts
Accounts	Have the accounts been audited? Please tick the appropriate box. <input type="checkbox"/> No. Go to Section A5. <input checked="" type="checkbox"/> Yes. Go to Section A4.



OS AA01

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A4**Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

No. Go to **Part 3 'Signature'**.

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

1 Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body **1**

NETHERLANDS INSTITUTE OF CHARTERED ACCOUNTANTS

A5**Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

No.

Yes.

Part 3**Signature**

I am signing this form on behalf of the overseas company.

Signature

Signature

X *Emily Lano* X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	SANDRA WALTERS
Company name	MORGAN STANLEY
Address	10TH FLOOR 20 BANK STREET CANARY WHARF
Post town	LONDON
County/Region	
Postcode	E 1 4 4 A D
Country	UNITED KINGDOM
DX	
Telephone	+44 (0) 207 677 1803



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and, if appropriate, the registered number, match the information held on the public Register.
- You have completed all sections of the form, if appropriate.
- You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

UK Registered number: FC026646

Registered number: 34240261

Business Office:
20 Bank Street
Canary Wharf
London, E14 4AD
United Kingdom

Statutory seat:
20 Bank Street
Canary Wharf
London, E14 4AD
United Kingdom

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Financial Report and Accounts for the year ended 31 December 2018

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

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MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Directors' report

Description and principal activity of the Company

The principal activity of Morgan Stanley Millbrae Investments B.V. (the "Company") is to enter into financing transactions and investments.

The Company's ultimate parent undertaking and controlling entity is Morgan Stanley, which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the "Morgan Stanley Group".

There have not been any significant changes in the Company's principal activity in the year under review and no significant change in the Company's principal activity is expected.

The Company was incorporated under Dutch law on 9 January 2006 and is incorporated in, The Netherlands. The business office of the Company is at 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom and its financial year end is 31 December.

Operating results

As noted above, the principal activity of the Company is to enter into financing transactions and investments. The Company manages the risk of potential external impacts on its business (including but not limited to the impact of United Kingdom's (the "UK") decision to leave the European Union (the "EU") of which a thorough assessment has been made by the Company and the Morgan Stanley Group of various Brexit scenarios). The Company maintains a constant planning dialogue with the wider Morgan Stanley Group and accordingly management does not expect any significant impact on the operations and business of the Company arising from these external factors.

The balance sheet for the Company is set out on page 3. Total assets have increased by \$104.654.000 during the year, due to interest earned on loans to other Morgan Stanley Group undertakings of \$159.658.000 offset by intercompany settlements and settlement of preference dividend payments of \$30.789.000. Shareholders' equity has increased by \$128.126.000 during the year as a result of the transfer to the general reserve of current year profit of \$156.576.000, offset by dividends of \$28.450.000 due to redeemable preference shareholders. Total liabilities have decreased by \$23.472.000, primarily due to intercompany settlements made during the year. Decreased dividends payable is driven by varying settlement dates year on year.

The profit and loss account for the year is set out on page 4. The profit for the year amounts to \$156.576.000, compared to a profit in the prior year of \$106.416.000. The increase is due to increased interest income primarily as a result of increased loans receivable and a rise in average interest rates on loans to other group undertakings, therefore generating more interest. An income tax expense of \$2.852.000 was also reported in the current year.

During the year, preference dividends of \$28.450.000 were accrued to the holders of the redeemable preference shares (2017: \$28.450.000). Dividends were paid to the holders of the redeemable preference shares during the year in the amount of \$30.789.000 consisting of \$16.681.000 accrued dividends to 31 December 2017 and \$14.108.000 for the period 1 January 2018 to 30 June 2018 (2017: \$23.696.000).

Risk management

The Directors consider that the Company's key financial risks are credit risk, primarily its concentration of exposure to other Morgan Stanley Group undertakings and liquidity risk arising primarily through its exposure to other Morgan Stanley Group undertakings presented within receivables from group undertakings and payables to group undertakings. The Company leverages the Morgan Stanley Group's credit and liquidity risk frameworks to identify measure, monitor and control credit risk and to ensure that the Company has access to adequate funding.

The Company also has some limited exposure to country, operational and legal, regulatory and compliance risks.

The Company leverages the risk management policies and procedures of the Morgan Stanley Group.

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Directors' report (continued)

Going concern

Although the Company has net liabilities payable within the next 12 months, the Company is performing in line with expectations and the net liabilities payable within the next 12 months are due to amounts owing to fellow Morgan Stanley Group undertakings, the demand for repayment of which is wholly within the control of the Morgan Stanley Group. In addition, the Company's ultimate parent undertaking and controlling entity, Morgan Stanley, has agreed to provide financial support to the Company to meet its obligations. As a result, the Directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The following Directors held office throughout the year and to the date of approval of this report:

E T Laino
S I Merry

The Company has taken notice of legislation effective as of 13 April 2017, as a consequence of which the Company should take into account as much as possible a balanced composition of the Board of Directors, in terms of gender, when nominating or appointing Directors, to the effect that at least 30 percent of the positions should be held by women and at least 30 percent by men. Currently the composition of the Board of Directors meets the gender diversity objectives.

Events after the balance sheet date

The Board of Directors resolved on 29 May 2019 to pay dividends to the holders of Redeemable Preference shares of \$23,696,000, consisting of \$14,342,000 accrued dividends to 31 December 2018 and \$9,354,000 for the period 1 January 2019 to 30 April 2019.

Auditor

Deloitte LLP B.V. have expressed their willingness to continue in office as auditor of the Company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

London, 29 May 2019

Management:

E T Laino 

S I Merry 

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Registered number: 34240261
UK Registered number: FC026646

Financial statements

Balance sheet as at 31 December 2018

(Including proposed appropriation of net results)

	<u>Note</u>	<u>31 December 2018</u>	<u>31 December 2017</u>
		<u>USD.000</u>	<u>USD.000</u>
ASSETS			
Receivable from group undertakings	12	4.448.659	4.344.005
Total assets		<u>4.448.659</u>	<u>4.344.005</u>
LIABILITIES AND EQUITY			
Shareholders' equity			
Called up share capital	1	137	144
Share premium	2	3.812.559	3.812.559
General reserve	4	618.697	490.571
Translation reserve	5	13	6
		<u>4.431.406</u>	<u>4.303.280</u>
Payable to group undertakings	12	59	24.044
Corporation tax payable		2.852	-
Dividends payable	12	14.342	16.681
		<u>17.253</u>	<u>40.725</u>
Total liabilities and equity		<u>4.448.659</u>	<u>4.344.005</u>

See notes to the financial statements.

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Profit and loss account for the year ended 31 December 2018

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		<u>USD.000</u>	<u>USD.000</u>
Interest income and similar income	6	159.658	106.742
Interest expense	7	(212)	(307)
General expenses	8	(18)	(19)
Profit before tax on ordinary activities		<u>159.428</u>	<u>106.416</u>
Corporate income tax	9	(2.852)	-
Profit after tax		<u>156.576</u>	<u>106.416</u>

See notes to the financial statements.

There were no recognised gains or losses during the current or prior year other than those disclosed above. Accordingly no statement of other comprehensive income has been prepared.

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Statement of cash flows for the year ended 31 December 2018

	<u>2018</u>	<u>2017</u>
	<u>USD.000</u>	<u>USD.000</u>
Cash flows from operating activities:		
Profit on ordinary activities after tax	156.576	106.416
Changes in operating assets and liabilities:		
Increase in amounts receivable from group undertakings	(104.654)	(106.742)
(Decrease)/increase in amounts payable to group undertakings	(23.985)	24.022
Increase in current tax liabilities	2.852	-
Net cash inflow from operating activities	<u>30.789</u>	<u>23.696</u>
Cash flows from financing activities:		
Dividends paid	(30.789)	(23.696)
Net cash used in financing activities	<u>(30.789)</u>	<u>(23.696)</u>
Net movement in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	<u>-</u>	<u>-</u>

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Notes to the financial statements for the year ended 31 December 2018

General

The financial statements are prepared under the historical cost convention and in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Company is incorporated in Amsterdam, the Netherlands, and is currently operating from 20 Bank Street, Canary Wharf, London, E14 4AD, United Kingdom.

Activities

The principal activity of the Company is to enter into financing transactions and investments.

Reporting currency

The Company is established in the Netherlands but has not adopted Euro as its measurement currency. The majority of the Company's activities involve transactions in US dollars; therefore the Company has adopted US Dollars as its measurement currency.

Accounting principles

General

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention. Assets and liabilities are stated at nominal value, unless otherwise stated. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable.

Foreign exchange

All monetary assets, liabilities and share capital denominated in currencies other than US dollars are translated into US dollars at the rate ruling at the balance sheet date. Transactions in currencies other than US dollars are recorded at the rates ruling at the dates of the transaction. All exchange differences are taken to the profit and loss account, except exchange differences arising on translation of called up share capital, which are taken to the translation reserve.

Revenues and expenses

Revenues and expenses are recorded in the period to which they pertain. Revenues and expenses on financial instruments are accounted for on an accrual basis.

Income taxes

Tax on profits is computed by applying the current average standard UK taxation rate of 19% (2017: 19,25%), taking into account permanent differences between profit calculations for financial reporting purposes and those for tax purposes.

Principles for preparation of the statement of cash flows

The statement of cash flows is prepared according to the indirect method.

The funds in the statement of cash flows consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning financing are shown separately in the cash flow statement.

Corporate income taxes and interest received are presented under the cash flow from operating activities.

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Notes to the financial statements for the year ended 31 December 2018 (continued)

Notes to specific items of the balance sheet

1. Called up share capital

	31 December 2018	31 December 2017
	Number	Number
Share capital		
Authorised		
80.000 Class A Shares of €1 each	80.000	80.000
40.000 Class B Shares of €1 each	40.000	40.000
40.000 Redeemable Preference Shares of €1 each	40.000	40.000
	<u>160.000</u>	<u>160.000</u>
Allotted, called up and fully paid	USD.000	USD.000
80.000 Class A Shares of €1 each	100	100
40.000 Redeemable Preference Shares of €1 each	50	50
	<u>150</u>	<u>150</u>
Foreign currency revaluation reserve	(13)	(6)
	<u>137</u>	<u>144</u>

The shares have been translated into US dollars at the rate ruling at the balance sheet date. The rate at 31 December 2018 was €1:\$1,1446 (2017: €1:\$1,20215).

The rights of the holders of the Redeemable Preference Shares in relation to dividends, as defined in the Company's Articles of Association, are set out in the Additional Information section on page 12. The Redeemable Preference Shares can be redeemed with the prior approval of the holders of the Redeemable Preference Shares and rank ahead of the Class A and Class B shares in the event of liquidation. In accordance with the Articles of Association of the Company, each Class A, Class B and Redeemable Preference Share confers the right to cast one vote.

2. Share premium

The balances are detailed as follows:

	31 December 2018	31 December 2017
	USD.000	USD.000
Ordinary share premium	3.292.609	3.292.609
Preference share premium	519.950	519.950
Total share premium	<u>3.812.559</u>	<u>3.812.559</u>

3. Dividend reserve account

The movements in the Redeemable Preference Shares dividend account can be specified as follows:

	31 December 2018	31 December 2017
	USD.000	USD.000
Redeemable Preference Shares dividend account:		
Balance at start of year	-	-
Dividend distributions - allocated from the General Reserve	28.450	28.450
Dividends due to Redeemable Preference shareholders	(28.450)	(28.450)
Balance at end of year	<u>-</u>	<u>-</u>

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Notes to the financial statements for the year ended 31 December 2018 (continued)

Notes to specific items of the balance sheet (continued)

3. Dividend reserve account (continued)

During the year ended 31 December 2018, dividends were paid to the holders of Redeemable Preference shares in the amount of \$30.789.000 consisting of \$16.681.000 accrued dividends to 31 December 2017 and \$14.108.000 for the period 1 January 2018 to 30 June 2018.

During the year ended 31 December 2017, dividends were paid to the holders of Redeemable Preference shares in the amount of \$23.696.000 consisting of \$11.927.000 accrued dividends to 31 December 2016 and \$11.769.000 for the period 1 January 2017 to 31 May 2017.

Dividends on the Redeemable Preference Shares accrue at a dividend rate of 5.39633% per annum (2017: 5.39633% per annum) on the paid up value of the Redeemable Preference Shares (being the nominal value and share premium value), as set out in the Company's Articles of Association.

During the current and prior year, no dividends were declared on the Class A ordinary shares.

4. General reserve

The movements are detailed as follows:

	<u>31 December 2018</u>	<u>31 December 2017</u>
	USD.000	USD.000
Balance at start of year	490.571	412.605
Profit for the year	156.576	106.416
Dividend distributions accrued (note 3)	(28.450)	(28.450)
Balance at end of year	<u>618.697</u>	<u>490.571</u>

5. Translation reserve

Translation differences

	<u>31 December 2018</u>	<u>31 December 2017</u>
	USD.000	USD.000
Balance at start of year	6	24
Translation differences on share capital during the year	7	(18)
Balance at end of year	<u>13</u>	<u>6</u>

Notes to specific items of the profit and loss account

6. Interest income and similar income

	<u>2018</u>	<u>2017</u>
	USD.000	USD.000
Interest income from loans to Morgan Stanley Group undertakings	<u>159.658</u>	<u>106.742</u>

7. Interest expense

	<u>2018</u>	<u>2017</u>
	USD.000	USD.000
Interest expense on loans from Morgan Stanley Group undertakings	<u>212</u>	<u>307</u>

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Notes to the financial statements for the year ended 31 December 2018 (continued)

Notes to specific items of the profit and loss account (continued)

8. General expenses

	<u>2018</u>	<u>2017</u>
	USD.000	USD.000
Auditor's remuneration	18	19

9. Corporate income tax

The Company is centrally managed and controlled in the UK and is therefore subject to UK taxation. The average standard tax rate for the year is 19% (2017: 19,25%).

	<u>2018</u>	<u>2017</u>
	USD.000	USD.000
Current tax expense		
UK corporation tax at 19% (2017: 19,25%)		
- Adjustments in respect of prior years	2.852	-
Corporate income tax	<u>2.852</u>	<u>-</u>

Finance (No.2) Act 2015 enacted a reduction in the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 received Royal Assent on 15 September 2016 and enacted a further reduction in the UK corporation tax rate to 17% with effect from 1 April 2020 which will impact the current tax charge in future periods.

Factors affecting the tax charge for the year

The current year UK taxation charge is lower (2017: lower) than that resulting from applying the average standard UK corporation tax rate for the year of 19 % (2017: 19,25%). The main differences are explained below:

	<u>2018</u>	<u>2017</u>
	USD.000	USD.000
Profit on ordinary activities before tax	159.428	106.416
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19,25%)	30.291	20.485
Effects of:		
Under provided in prior years	2.852	-
Group relief received for nil consideration	(30.291)	(20.485)
Corporate income tax	<u>2.852</u>	<u>-</u>

10. Remuneration of management

Management did not receive any remuneration during the year (2017: \$nil).

11. Employees

The Company did not employ any employees (2017: nil).

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Notes to the financial statements for the year ended 31 December 2018 (continued)

Other notes and signing of the financial statements

12. Related parties

The related party that controls the Company at 31 December 2018 is Morgan Stanley Mallard Investments Limited.

During the year, the Company accrued preference dividend expense of \$28,450,000 (2017: \$28,450,000) on the Redeemable Preference Shares in the Company owned by Morgan Stanley Mallard Investments Limited.

The Company paid dividends to the holders of Redeemable Preference shares in the amount of \$30,789,000 consisting of \$16,681,000 accrued dividends to 31 December 2017 and \$14,108,000 for the period 1 January 2018 to 30 June 2018.

During the year ended 31 December 2017, dividends were paid to the holders of Redeemable Preference shares in the amount of \$23,696,000 consisting of \$11,927,000 accrued dividends to 31 December 2016 and \$11,769,000 for the period 1 January 2017 to 31 May 2017.

At 31 December 2018 dividends payable amounted to \$14,342,000 (2017: \$16,681,000).

The Company did not pay any dividends to the holders of Class A shares during the current and prior year.

At 31 December 2018 a total of \$4,448,659,000 was receivable from other Morgan Stanley Group undertakings (2017: \$4,344,005,000). Interest accrued on these loans through the year at variable rates.

At 31 December 2018 a total of \$59,000 was owed to other Morgan Stanley Group undertakings (2017: \$24,044,000).

13. Post balance sheet events

The Board of Directors resolved on 29 May 2019 to pay dividends to the holders of Redeemable Preference shares of \$23,696,000, consisting of \$14,342,000 accrued dividends to 31 December 2018 and \$9,354,000 for the period 1 January 2019 to 30 April 2019.

14. Parent undertakings

The Company's ultimate parent undertaking and controlling entity and the largest group of which the Company is a member and for which group financial statements are prepared is Morgan Stanley which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the Morgan Stanley Group. Morgan Stanley has its registered office c/o The Corporation Trust Company, The Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America and is incorporated in the state of Delaware, the United States of America and copies of its financial statements can be obtained from www.morganstanley.com/investorrelations.

The Company's immediate parent undertaking is Morgan Stanley Mallard Investments Limited, which has its registered office at 20 Bank Street, Canary Wharf, London, England, E14 4QA and is registered in England and Wales. Copies of its financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff CF14 3UZ.

The parent undertaking of the smallest group of companies for which group financial statements are drawn up and of which the Company is a member is Morgan Stanley & Co. International plc, which has its registered office at 25 Cabot Square, Canary Wharf, London, England, E14 4QA and is registered in England and Wales. Copies of its financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff CF14 3UZ.

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Notes to the financial statements for the year ended 31 December 2018 (continued)

Other notes and signing of the financial statements (continued)

15. Appropriation of result

Appropriation of result for the financial year 2017

The annual report 2017 was determined in the General Meeting held on 28 August 2018. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Appropriation of result for the financial year 2018

The balance sheet is presented after the proposed appropriation of net result for the year ended 31 December 2018. Management proposes to add the net result for the year to the General reserve. This proposal has been included in the financial statements.

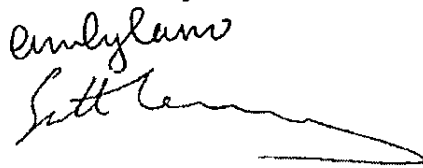
Signing of the financial statements

London, 29 May 2019

Management:

E T Laino

S I Merry

Handwritten signatures of E T Laino and S I Merry. The signature of E T Laino is written above the signature of S I Merry. Both signatures are in cursive and are written in black ink.

MORGAN STANLEY MILLBRAE INVESTMENTS B.V.

Additional Information for the year ended 31 December 2018

Independent auditor's report

For the independent auditor's report, reference is made to page 13.

Preference shares

There are 40.000 Redeemable Preference Shares of €1 each, resulting in dividends payable for 2018 of \$28.450.000.

Ordinary Shares

There are 80.000 Class A Shares of €1 each.

Independent auditor's report

To the shareholder of Morgan Stanley Millbrae Investments B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the accompanying financial statements 2018 of Morgan Stanley Millbrae Investments B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Morgan Stanley Millbrae Investments B.V. as at December 31, 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at December 31, 2018.
2. The profit and loss account for 2018.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Morgan Stanley Millbrae Investments B.V. in accordance with the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual REPORT contain other information that consists of:

- Directors' report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Directors' Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 1 resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, May 29, 2019

Deloitte Accountants B.V.



M. van Luijk

Initials for identification purposes:

