

**Schedule K-1  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2012**

For calendar year 2012, or tax  
year beginning 6/29, 2012  
ending 12/31, 2012

**Partner's Share of Income, Deductions,  
Credits, etc.**

▶ See back of form and separate instructions.

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
		B	558
4	Guaranteed payments	C	(320)
5	Interest income	D	226
	265		
6a	Ordinary dividends	G	178
	613		
6b	Qualified dividends	I	101
	83		
7	Royalties		
8	Net short-term capital gain (loss)		
	(317)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(3)		
9b	Collectibles (28%) gain (loss)		
9c	Uncaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
F	(631)		
12	Section 179 deduction	19	Distributions
13	Other deductions		
H	178	20	Other information
K	4,085	A	795
		B	4,085
14	Self-employment earnings (loss)	V	STMT
		Y	STMT
*See attached statement for additional information.			

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
45-2096875

**B** Partnership's name, address, city, state, and ZIP code  
MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP  
440 S LASALLE STREET, 39TH FLOOR C/O MORGAN STANLEY TAX  
CHICAGO, IL 60605

**C** IRS Center where partnership filed return  
Ogden

**D**  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number  
20-3161309

**F** Partner's name, address, city, state, and ZIP code  
BLUE CHIP CAPITAL LLC  
27 HIGH TECH BLVD.  
THOMASVILLE, NC 27360

**G**  General partner or LLC member-manager  Limited partner or other LLC member

**H**  Domestic partner  Foreign partner

**I1** What type of entity is this partner? (see instructions) LLC

**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here (see instructions)

**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.000000 %	0.090473 %
Loss	0.000000 %	0.090473 %
Capital	0.000000 %	0.077581 %

**K** Partner's share of liabilities at year end:

Nonrecourse	\$	1,155
Qualified nonrecourse financing	\$	
Recourse	\$	

**L** Partner's capital account analysis:

Beginning capital account	\$	NONE
Capital contributed during the year	\$	33,811
Current year increase (decrease)	\$	3,055
Withdrawals & distributions	\$	{ }
Ending capital account	\$	36,866

Tax basis  GAAP  Section 704(b) book  
 Other (explain)

**M** Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)

For IRS Use Only

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This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
<b>1. Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
Passive loss	Report on	
Passive income	See the Partner's Instructions	
Nonpassive loss	Schedule E, line 28, column (g)	
Nonpassive income	Schedule E, line 28, column (h)	
	Schedule E, line 28, column (i)	
<b>2. Net rental real estate income (loss)</b>	See the Partner's Instructions	
<b>3. Other net rental income (loss)</b>		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Partner's Instructions	
<b>4. Guaranteed payments</b>	Schedules E, line 28, column (i)	
<b>5. Interest income</b>	Form 1040, line 8a	
<b>6a. Ordinary dividends</b>	Form 1040, line 9a	
<b>6b. Qualified dividends</b>	Form 1040, line 9b	
<b>7. Royalties</b>	Schedule E, line 4	
<b>8. Net short-term capital gain (loss)</b>	Schedule D, line 5	
<b>9a. Net long-term capital gain (loss)</b>	Schedule D, line 12	
<b>9b. Collectibles (28%) gain (loss)</b>	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
<b>9c. Unrecaptured section 1250 gain</b>	See the Partner's Instructions	
<b>10. Net section 1231 gain (loss)</b>	See the Partner's Instructions	
<b>11. Other income (loss)</b>		
Code		
A Other portfolio income (loss)	See the Partner's Instructions	
B Involuntary conversions	See the Partner's Instructions	
C Sec. 1256 contracts & straddles	Form 6781, line 1	
D Mining exploration costs recapture	See Pub. 535	
E Cancellation of debt	Form 1040, line 21 or Form 982	
F Other income (loss)	See the Partner's Instructions	
<b>12. Section 179 deduction</b>	See the Partner's Instructions	
<b>13. Other deductions</b>		
A Cash contributions (50%)	See the Partner's Instructions	
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense	Form 4952, line 1	
I Deductions—royalty income	Schedule E, line 19	
J Section 59(e)(2) expenditures	See the Partner's Instructions	
K Deductions—portfolio (2% floor)	Schedule A, line 23	
L Deductions—portfolio (other)	Schedule A, line 28	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	
N Educational assistance benefits	See the Partner's Instructions	
O Dependent care benefits	Form 2441, line 12	
P Preproductive period expenses	See the Partner's Instructions	
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	
R Pensions and IRAs	See the Partner's Instructions	
S Reforestation expense deduction	See the Partner's Instructions	
T Domestic production activities information	See Form 8903 Instructions	
U Qualified production activities income	Form 8903, line 7b	
V Employer's Form W-2 wages	Form 8903, line 17	
W Other deductions	See the Partner's Instructions	
<b>14. Self-employment earnings (loss)</b>		
<b>Note.</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	
B Gross farming or fishing income	See the Partner's Instructions	
C Gross non-farm income	See the Partner's Instructions	
<b>15. Credits</b>		
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	
B Low-income housing credit (other) from pre-2008 buildings		
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
D Low-income housing credit (other) from post-2007 buildings		
E Qualified rehabilitation expenditures (rental real estate)		
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit		Form 1040, line 71; check box 4
I Alcohol and cellulose biofuel fuels credit		See the Partner's Instructions
J Work opportunity credit		See the Partner's Instructions
K Disabled access credit		
L Empowerment zone and renewal community employment credit		
M Credit for increasing research activities		
N Credit for employer social security and Medicare taxes	See the Partner's Instructions	
O Backup withholding		
P Other credits		
<b>16. Foreign transactions</b>		
A Name of country or U.S. possession	Form 1116, Part I	
B Gross income from all sources		
C Gross income sourced at partner level		
<i>Foreign gross income sourced at partnership level</i>		
D Passive category	Form 1116, Part I	
E General category		
F Other		
<i>Deductions allocated and apportioned at partner level</i>		
G Interest expense	Form 1116, Part I	
H Other	Form 1116, Part I	
<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
I Passive category	Form 1116, Part I	
J General category		
K Other		
<i>Other information</i>		
L Total foreign taxes paid	Form 1116, Part II	
M Total foreign taxes accrued	Form 1116, Part II	
N Reduction in taxes available for credit	Form 1116, line 12	
O Foreign trading gross receipts	Form 8873	
P Extraterritorial income exclusion	Form 8873	
Q Other foreign transactions	See the Partner's Instructions	
<b>17. Alternative minimum tax (AMT) items</b>		
A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251	
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal—gross income		
E Oil, gas, & geothermal—deductions		
F Other AMT items		
<b>18. Tax-exempt income and nondeductible expenses</b>		
A Tax-exempt interest income	Form 1040, line 8b	
B Other tax-exempt income	See the Partner's Instructions	
C Nondeductible expenses	See the Partner's Instructions	
<b>19. Distributions</b>		
A Cash and marketable securities	See the Partner's Instructions	
B Distribution subject to section 737		
C Other property		
<b>20. Other information</b>		
A Investment income	Form 4952, line 4a	
B Investment expenses	Form 4952, line 5	
C Fuel tax credit information	Form 4136	
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
E Basis of energy property	See the Partner's Instructions	
F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
G Recapture of low-income housing credit (other)	Form 8611, line 8	
H Recapture of investment credit	See Form 4255	
I Recapture of other credits	See the Partner's Instructions	
J Look-back interest—completed long-term contracts	See Form 8897	
K Look-back interest—income forecast method	See Form 8898	
L Dispositions of property with section 179 deductions	See the Partner's Instructions	
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(j)(3) information		
P Section 453A(c) information		
Q Section 1260(b) information		
R Interest allocable to production expenditures		
S CCF nonqualified withdrawals		
T Depletion information—oil and gas		
U Amortization of reforestation costs		
V Unrelated business taxable income		
W Precontribution gain (loss)		
X Section 106(i) information		
Y Other information		

Partner # 316

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EFTA01280334

PART II, ITEM L, CURRENT YEAR INCREASE (DECREASE)

INCOME(LOSS) FROM SCHEDULE K-1 BOXES 1-11	(73)
LESS: DEDUCTIONS FROM SCHEDULE K-1 BOXES 12, 13, 16L, & 16M	4,263
TOTAL INCOME(LOSS) PER SCHEDULE K-1	<u>(4,336)</u>
UNREALIZED GAIN(LOSS)	7,332
OTHER BOOK TO TAX DIFFERENCES	59
CURRENT YEAR INCREASE (DECREASE)	<u><u>3,055</u></u>
BOX 5: INTEREST INCOME	
INTEREST INCOME FROM FLOW-THROUGH ENTITIES	265
TOTAL BOX 5 - INTEREST INCOME	<u>265</u>
BOX 6A: ORDINARY DIVIDENDS	
NON-QUALIFIED FOREIGN DIVIDENDS FROM FLOW-THROUGH ENTITIES	530
QUALIFIED DOMESTIC DIVIDENDS FROM FLOW-THROUGH ENTITIES	83
TOTAL BOX 6A - ORDINARY DIVIDENDS	<u>613</u>
BOX 11F: OTHER INCOME/(LOSS)	
§988 INCOME/(LOSS) FROM FLOW-THROUGH ENTITIES	107
OTHER INCOME FROM FLOW-THROUGH ENTITIES	(790)
GAIN/(LOSS) ON HEDGE FROM FLOW-THROUGH ENTITIES	52
TOTAL BOX 11F - OTHER INCOME/(LOSS)	<u>(631)</u>
BOX 13K: DEDUCTIONS-PORTFOLIO (2% FLOOR)	
ADMINISTRATIVE FEES	27
MANAGEMENT FEES	3,811
PROFESSIONAL FEES	41
AMORTIZATION OF ORGANIZATIONAL COSTS	7
OTHER DEDUCTIONS	86
OTHER DEDUCTIONS FROM FLOW-THROUGH ENTITIES	4
MANAGEMENT FEES FROM FLOW-THROUGH ENTITIES	67
PROFESSIONAL FEES FROM FLOW-THROUGH ENTITIES	39
AMORTIZATION OF ORGANIZATIONAL COSTS FROM FLOW-THROUGH ENTITIES	3
TOTAL BOX 13K - DEDUCTIONS-PORTFOLIO (2% FLOOR)	<u>4,085</u>

Partner # 316

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YOU ARE ALLOCATED INVESTMENT INCOME AND INVESTMENT EXPENSES ON BOX 20, CODES A AND B, PURSUANT TO IRC SECTION 163(D). THE AMOUNTS REPORTED ON BOX 20A AND 20B REFLECT THE INFORMATION AS REPORTED TO THE FUND BY THE UNDERLYING PARTNERSHIPS IN WHICH THE FUND HAS INVESTED. THESE AMOUNTS DO NOT NECESSARILY REPRESENT THE TOTAL INVESTMENT INCOME AND INVESTMENT EXPENSE OF THE FUND AND SHOULD BE CONSIDERED WHEN PREPARING FORM 4952.

PLEASE NOTE THAT EXCEPT FOR LINES 1, 2 AND 10, NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON SCHEDULE K-1 ARE CONSIDERED AS DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION SECTION 1.469-1T(E)(6).

THE K-1 HAS BEEN PREPARED ON THE BASIS OF A PARTNER WHO DOES NOT MATERIALLY PARTICIPATE IN THE OPERATIONS OF THE PARTNERSHIP. THEREFORE, INTEREST EXPENSE HAS BEEN INCLUDED IN BOX 13, CODE H AS INVESTMENT INTEREST EXPENSE AND IS NOT INCLUDED IN BOX 11, CODE F.

**ITEM J: PARTNER'S SHARE OF PROFIT, LOSS AND CAPITAL**

PARTNER PERCENTAGES REFLECTED ON ITEM J OF YOUR SCHEDULE K-1 ARE CALCULATED PURSUANT TO IRS INSTRUCTIONS AND MAY VARY FROM PERCENTAGES UNDER THE PARTNERSHIP AGREEMENT. HOWEVER, PLEASE NOTE THAT ALL TAXABLE INCOME AND LOSS ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE ALLOCATED CONSISTENT WITH THE PARTNERSHIP AGREEMENT.

**BOX 16, CODE A, B, C: GROSS INCOME FROM ALL SOURCES AND GROSS INCOME SOURCED AT PARTNER LEVEL**

THE DETAIL FOR BOX 16A IS "VARIOUS." THE AMOUNTS REFLECTED ON LINE 16B AND 16C REFLECT THE INFORMATION AS REPORTED TO THE FUND BY THE UNDERLYING PARTNERSHIPS IN WHICH THE FUND HAS INVESTED. THESE AMOUNTS DO NOT NECESSARILY REFLECT THE "GROSS INCOME FROM ALL SOURCES" OR "GROSS INCOME SOURCED AT THE PARTNER LEVEL" FOR THE FUND. CONSULT YOUR PERSONAL TAX ADVISOR REGARDING THE APPROPRIATE REPORTING OF THE ITEMS.

**BOX 16, CODE D, E, F: FOREIGN GROSS INCOME SOURCED AT PARTNERSHIP LEVEL**

FOREIGN QUALIFIED DIVIDENDS ARE INCLUDED IN BOX 16, CODES D, E, F (AS WELL AS IN BOX 1, BOXES 6A AND 6B AND IN BOX 11, CODE F, IF APPLICABLE). PLEASE CONSULT YOUR TAX ADVISOR REGARDING WHETHER ADJUSTMENTS SHOULD BE MADE TO THIS AMOUNT OR ANY OTHER AMOUNTS APPEARING IN BOX 16 FOR PURPOSES OF CALCULATING YOUR FOREIGN TAX CREDITS ON FORM 1116.

**BOX 16, CODE I, J, K: DEDUCTIONS ATTRIBUTABLE TO FOREIGN SOURCE INCOME**

YOUR SHARE OF DEDUCTIONS AND LOSSES APPLICABLE TO FOREIGN SOURCE GROSS INCOME HAS BEEN CALCULATED USING THE GROSS INCOME METHOD AND IS REFLECTED IN BOX 16, CODE I, J, K. THIS AMOUNT SHOULD BE CONSIDERED FOR FOREIGN TAX CREDIT PURPOSES. THE PROPER TREATMENT OF THIS AMOUNT ON YOUR TAX RETURN DEPENDS UPON SEVERAL FACTORS INCLUDING WHETHER YOU ARE A CORPORATE OR NON-CORPORATE PARTNER, A GENERAL OR LIMITED PARTNER, AND YOUR PERCENTAGE INTEREST IN THE PARTNERSHIP. THE FOREIGN TAX CREDIT RULES ARE COMPLEX. PLEASE CONSULT YOUR TAX ADVISOR.

**BOX 20, CODE V: INFORMATION REGARDING UNRELATED BUSINESS TAXABLE INCOME:**

DETAIL AVAILABLE UPON REQUEST

**BOX 20, CODE Y: OTHER INFORMATION**

THE FOLLOWING AMOUNT REPRESENTS YOUR SHARE OF EFFECTIVELY CONNECTED INCOME/(LOSS) ("ECI") AS DEFINED UNDER IRC SECTION 1446:

PLEASE CONSULT YOUR TAX ADVISOR AS TO THE PROPER TAX TREATMENT.

Partner # 316

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STATE INFORMATION

YOUR SHARE OF CALIFORNIA SOURCE INCOME IS:

(3)

Partner # 316

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EFTA\_00143911

EFTA01280337

# Partner's Share of Income, Deductions, Credits, etc.

**2012**

**K-1 (565)**

For calendar year 2012 or fiscal year beginning month 06 day 29 year 2012, and ending month 12 day 31 year 2012

Partner's identifying number <b>20-3161309</b> Partner's name, address, city, state, and ZIP Code BLUE CHIP CAPITAL LLC 27 HIGH TECH BLVD. THOMASVILLE, NC 27360	Partnership's FEIN <b>45-2096875</b> California Secretary of State file number Partnership's name, address, city, state, and ZIP Code MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP 440 S LASALLE STREET, 39TH FLOOR C/O MORGAN STANLEY TAX CHICAGO, IL 60605
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**A** Is this partner a: ● (1)  general partner; or (2)  limited partner?

**B** What type of entity is this partner? ●  
 (1)  Individual (5)  General Partnership (9)  IRA/Keogh/SEP  
 (2)  S Corporation (6)  Limited Partnership (10)  Exempt Organization  
 (3)  Estate/Trust (7)  LLP (11)  Disregarded Entity  
 (4)  C Corporation (8)  LLC

**C** Is this partner a foreign partner? ●  Yes  No

**D** Enter partner's percentage (without regard to special allocations) of:

	(i) Before decrease or termination	(ii) End of year
Profit sharing	0.0000%	0.0905%
Loss sharing	0.0000%	0.0905%
Ownership of capital	0.0000%	0.0776%

**E** Partner's share of liabilities:  
 Nonrecourse ..... ● \$ 1,155  
 Qualified nonrecourse financing ..... ● \$ \_\_\_\_\_  
 Other ..... ● \$ \_\_\_\_\_

**F** Reportable transaction or tax shelter registration number(s) \_\_\_\_\_

**G** (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) .....   
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) .....

**H** Check here if this is: ●  
 (1)  A final Schedule K-1 (565) (2)  An amended Schedule K-1 (565)

**I** Is this partner a resident of California? ..... ●  Yes  No

**J** Analysis of partner's capital account: Check the box ● (1)  Tax Basis (2)  GAAP (3)  Section 704(b) Book (4)  Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
NONE	33,811	3,055	( )	36,866

**Caution:** Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
<b>Income (Loss)</b>	1 Ordinary income (loss) from trade or business activities			●	▶
	2 Net income (loss) from rental real estate activities			●	▶
	3 Net income (loss) from other rental activities			●	▶
	4 Guaranteed payments to partners			●	▶
	5 Interest income	265		●	265 ▶
	6 Dividends	613		●	613 ▶
	7 Royalties			●	▶
	8 Net short-term capital gain (loss)	(317)		●	(317) ▶
	9 Net long-term capital gain (loss)	(3)		●	(3) ▶
	10 a Total gain under IRC Section 1231 (other than due to casualty or theft)			●	▶
	b Total loss under IRC Section 1231 (other than due to casualty or theft)			●	▶
11 a Other portfolio income (loss). Attach schedule			●	▶	
b Total other income. Attach schedule			●	▶	
c Total other loss. Attach schedule		(631)	●	(631) ▶	

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	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1085)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
<b>Deductions</b>	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268) .....				
	13 a Charitable contributions .....				
	b Investment interest expense .....	178		178	
	c 1 Total expenditures to which an IRC Section 59(e) election may apply 2 Type of expenditures .....				
	d Deductions related to portfolio income .....	4,085		4,085	3
	e Other deductions. Attach schedule .....				
<b>Credits</b>	15 a Total withholding (equals amount on Form 592-B if calendar year partnership) .....				
	b Low-income housing credit .....				
	c Credits other than line 15b related to rental real estate activities .....				
	d Credits related to other rental activities .....				
	e Nonconsenting nonresident partner's tax paid by partnership .....				
	f Other credits - Attach required schedules or statements. ....				
	g New jobs credit .....				
<b>Alternative Minimum Tax (AMT) Items</b>	17 a Depreciation adjustment on property placed in service after 1986 .....				
	b Adjusted gain or loss .....				
	c Depletion (other than oil & gas) .....				
	d Gross income from oil, gas, and geothermal properties .....				
	e Deductions allocable to oil, gas, and geothermal properties .....				
	f Other alternative minimum tax items .....				
<b>Tax-Exempt Income and Nondeductible Expenses</b>	18 a Tax-exempt interest income .....				
	b Other tax-exempt income .....				
	c Nondeductible expenses .....				
<b>Distributions</b>	19 a Distributions of money (cash and marketable securities) .....				
	b Distributions of property other than money .....				
<b>Other Information</b>	20 a Investment income .....	795		795	
	b Investment expenses .....	4,085		4,085	
	c Other information. See instructions .....				

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**Other Partner Information**

**Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):**

Interest \$ \_\_\_\_\_ Sec. 1231 Gains/Losses \$ \_\_\_\_\_ Capital Gains/Losses \$ \_\_\_\_\_  
 Dividends \$ \_\_\_\_\_ Royalties \$ \_\_\_\_\_ Other \$ \_\_\_\_\_

FOR USE BY PARTNERS ONLY – See instructions.

**Table 2 — Partner's share of distributive items.**

- A. Partner's share of the partnership's business income. See instructions. \$ \_\_\_\_\_
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ \_\_\_\_\_ Rents/Royalties \$ \_\_\_\_\_  
 Sec. 1231 Gains/Losses \$ \_\_\_\_\_ Other \$ \_\_\_\_\_

- C. Partner's distributive share of the partnership's property, payroll, and sales: California Sales – Doing Business Test \$ \_\_\_\_\_

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual rent expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

**Table 3 — Partner's share of cost of goods sold, deductions, and rental income.**

Enter only amounts used to determine income (loss) derived from and attributable to California sources. All amounts entered on this table are first multiplied by the appropriate percentage in Item D (ii) end of year partner's profit and loss sharing percentage on Side 1. See the partnership Schedule K-1 instructions for information on how to obtain the amounts below.

1. Schedule K, Line 1, column (d), Ordinary income (loss) from trade or business activities:
  - a. Enter as a positive amount the cost of goods sold used to determine the amount on Schedule K, Line 1, column (d), plus the total amounts on line 1a of Table 3 from all Schedule K-1s (565) this partnership received \_\_\_\_\_
  - b. Enter as a positive amount the total deductions used to determine the amount on Schedule K, Line 1, column (d), plus the total amounts on line 1b of Table 3 from all Schedule K-1s (565) this partnership received \_\_\_\_\_
2. Enter the total gross rents from line 18a of federal Form 8825 as adjusted for California law differences, plus the total amounts on line 2 of Table 3 from all Schedule K-1s (565) this partnership received \_\_\_\_\_
3. Enter the gross income (loss) from other rental activities from Schedule K, Line 3a, column (d), plus the total amounts on line 3 of Table 3 from all Schedule K-1s (565) this partnership received \_\_\_\_\_

**IT-65 2012 Schedule IN K-1**

State Form 49181 (R12 / 8-12)

Indiana Department of Revenue

**Partner's Share of Indiana Adjusted Gross Income, Deductions, Modifications, and Credits**

Tax Year Beginning   2012 and Ending

Name of Partnership  
MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP

Federal Identification Number  
45-2096875

**Distributions** - Provide IN K-1 to each partner. Enclose IN K-1 with IT-65 return. For information on the acceptable electronic data file format, visit the Department's website at [www.in.gov/dor/3772.htm](http://www.in.gov/dor/3772.htm) Pro rata amounts for lines 1 through 26 of any nonresident partner must be multiplied by the Indiana apportionment percent, if applicable, from IT-65, line 4.

**Part 1 - Partner's Identification Section**

(a) If Partner Is an Individual (please print clearly)  
 Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_  
 a1 \_\_\_\_\_ a2 \_\_\_\_\_ a3 \_\_\_\_\_

(b) If Partner Is an Other Entity (please print clearly)  
 Name:  
 b1 BLUE CHIP CAPITAL LLC b2 \_\_\_\_\_

(c) Partner's State of Residence or Commercial Domicile ..... c1 \_\_\_\_\_

(d) Indiana Tax Withheld for Nonresident Partner (on WH-18) ..... d \_\_\_\_\_

(e) Partner's Federal Pro Rata Percentage..... e \_\_\_\_\_

(f) Partner's Tax as Computed on IT-65COMP Column G ..... f \_\_\_\_\_

Social Security Number:

Federal Identification Number:  
20-3161309

FL

00

0.077581 %

00

**Part 2 - Distributive Share Amount** (use apportioned figures for nonresident partners)

1. Ordinary business income (loss).....	00
2. Net rental real estate income (loss) .....	00
3. Other net rental income (loss).....	00
4. Guaranteed payments.....	00
5. Interest income.....	00
6. Ordinary dividends .....	00
7. Royalties .....	00
8. Net short-term capital gain (loss) .....	00
9. Net long-term capital gain (loss) .....	00
10. Net IRC Section 1231 gain (loss) .....	00
11. Other income (loss) .....	00
12. IRC Section 179 expense deduction.....	00
13a. Portion of expenses related to investment portfolio income, including investment interest expense and other (federal nonitemized) deductions.....	00
13b. Other information from line 20 of federal K-1 related to investment interest and expenses not listed elsewhere .....	00
14. Total pro rata distributions (Add lines 1 through 11; subtract lines 12, 13a, and 13b when applicable.) .....	00

Continued on next page ►



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<b>Part 3 - State Modifications</b> Add or subtract the following. Designate the distributive share amount of each modification for Indiana adjusted gross income from line 2 on the front of Form IT-65. For nonresidents, apply apportioned figures. (Use a minus sign to denote negative amounts.)			
15. State income taxes deducted .....			00
16. Net bonus depreciation allowance .....			00
17. Excess IRC Section 179 deduction .....			00
18. Interest on U.S. obligations .....			00
19. Addback/ Deduction _____ Code: _____			00
20. Addback/ Deduction _____ Code: _____			00
21. Addback/ Deduction _____ Code: _____			00
22. Addback/ Deduction _____ Code: _____			00
23. Addback/ Deduction _____ Code: _____			00
24. Addback/ Deduction _____ Code: _____			00
25. Addback/ Deduction _____ Code: _____			00
26. Addback/ Deduction _____ Code: _____			00
27. Total distributive share of modifications (add lines 15 through 26 and carry total to Column B on Schedule IT-65COMP) .....			00
<b>Part 4 - Pro Rata Share of Indiana Pass-through Tax Credits from Partnership</b>			
28. Enter the name of the tax credit program, its three-digit ID code, and the dollar amount of the partner's distributive share for each allowable credit			
Name of Credit:	ID Code:		
a _____	b _____	c	00
d _____	e _____	f	00
g _____	h _____	i	00
29. Total pass-through credits (add lines 28c, 28f, and 28i) .....			00



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**SCHEDULE  
NJK-1**  
(Form NJ-1065)  
**2012**

**STATE OF NEW JERSEY  
PARTNER'S SHARE OF INCOME**

For Calendar Year 2012, or Fiscal Year Beginning June 29, 2012 and ending December 31, 2012

<b>PART I General Information</b>	
Partner's SS # or Federal EIN 20-3161309	Partnership's Federal EIN 45-2096875
Partner's Name BLUE CHIP CAPITAL LLC	Partnership's Name MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP
Street Address 27 HIGH TECH BLVD.	Partnership's Street Address 440 S LASALLE STREET, 39TH FLOOR C/O MORGAN STANLEY
City State Zip Code THOMASVILLE NC 27360	City State Zip Code CHICAGO IL 60605
What type of entity is partner? (see instructions) NP Code	Enter Partner's percentage of: (i) Before Decrease or Termination (ii) End of Year
Date Partner's Interest in Partnership began: 6 29 2012 Month Day Year	Profit Sharing 0.000000 % 0.090473 %
<input checked="" type="checkbox"/> Final NJK-1 <input type="checkbox"/> Hedge Fund	Loss Sharing 0.000000 % 0.090473 %
<input type="checkbox"/> Amended NJK-1 <input type="checkbox"/> Member of Composite Return	Capital Ownership 0.000000 % 0.077581 %

<b>PART II Income Information</b>				
Income Classifications	A. Total Distribution	NJ-1040 Filers Enter Amounts on Line Shown Below	B. New Jersey Source Amounts	NJ-1040NR Filers
1. Partnership Income (loss)	(4,336)			
2. Net Guaranteed Payments				
3. Partner's 401(k) Contribution				
4. Distributive Share of Partnership Income (loss) (Line 1 plus Line 2 minus Line 3)	(4,336)	Line 20, Page 2		Line 22, Page 1
5. Pension		Line 19, Page 2		
6. Net Gain (loss) from Disposition of Assets as a Result of a Complete Liquidation		Line 18, Page 2		Line 18, Page 1

<b>PART III Partner's Information</b>	
1. Nonresident Partner's Share of NJ Tax .....	1. Line 19a, Page 1 CBT-100 Line 10a, Page 1 CBT-100S Line 8, PART-100 Line 46, NJ-1040NR Line 22, NJ-1080C Line 31a, NJ-1041
2. Partner's HEZ Deduction .....	2.
3. Partner's Sheltered Workshop Tax Credit .....	3.

<b>PART IV Supplemental Information (Attach Schedule)</b>

Partner # 316

THIS FORM MAY BE REPRODUCED

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# New York Partner's Schedule K-1

Tax Law - Article 22 (Personal Income Tax)

# IT-204-IP

For calendar year 2012 or tax year beginning   and ending

Final K-1

Amended K-1

**Partners:** Before completing your income tax return, see Form IT-204-IP-I, *Partner's Instructions for Form IT-204-IP* (available at [www.tax.ny.gov](http://www.tax.ny.gov)).

### Partnership's information (see instructions)

Partnership's name (as shown on Form IT-204) MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP	Partnership's EIN 45-2096875
--	---------------------------------

A Mark an X in the box if either applies to your entity  Publicly traded partnership  Portfolio investment partnership

B Tax shelter registration number, if any ..... B

C Business allocation percentage ..... C

### Partner's information (see instructions)

Partner's name BLUE CHIP CAPITAL LLC			Partner's identifying number 20-3161309
Partner's address 27 HIGH TECH BLVD.			
City THOMASVILLE	State NC	ZIP code 27360	

D The partner is a (mark an X in the appropriate box)  General partner or LLC member-manager  Limited partner or other LLC member

E What is the tax filing status of the partner? (Mark an X in the appropriate box, if known.)  Individual  Estate/trust  Partnership

F If the partner is a disregarded entity or grantor trust, enter the tax ID of the entity or individual reporting the income, if known ..... F

G Did the partner sell its entire interest during the tax year? ..... G Yes  No

Partner's share of profit, loss, and capital		Beginning	Ending
1) Profit ..... H1		0.0000 %	0.0905 %
2) Loss ..... H2		0.0000 %	0.0905 %
3) Capital ..... H3		0.0000 %	0.0776 %

Partner's share of liabilities at the end of the year		
1) Nonrecourse ..... I1		1,155
2) Qualified nonrecourse financing ..... I2		
3) Recourse ..... I3		

Partner's capital account analysis		
1) Beginning capital account ..... J1		NONE
2) Capital contributed during the year - cash ..... J2		
3) Capital contributed during the year - property ..... J3		
4) Current year increase (decrease) ..... J4		3,055
5) Withdrawals and distributions - cash ..... J5		
6) Withdrawals and distributions - property ..... J6		
7) Ending capital account ..... J7		3,055

8) Method of accounting (mark an X in the appropriate box)  
 Tax basis  GAAP  Book  Other (submit explanation)

K Resident status (mark an X in all boxes that apply)  
 NYS full-year resident  Yonkers full-year resident  NYC full-year resident  
 NYS part-year resident  Yonkers part-year resident  NYC part-year resident  
 NYS nonresident  Yonkers nonresident

L If the partner was included in a group return, enter the special NYS identification number, if known ..... L



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M 1) Was Form IT-2658-E filed with the partnership? ..... M1 Yes  No   
 2) Was Form MTA-405-E filed with the partnership? ..... M2 Yes  No

N NYS estimated tax paid on behalf of partner (from Form IT-2658)

	Date	Amount
1) First installment .....	N1	
2) Second installment.....	N2	
3) Third installment .....	N3	
4) Fourth installment.....	N4	
Total NYS estimated tax paid on behalf of partner (add lines N1 through N4) .....	N	

O Estimated MCTMT paid on behalf of partner (from Form MTA-405)

	Date	Amount
1) First installment .....	O1	
2) Second installment.....	O2	
3) Third installment .....	O3	
4) Fourth installment.....	O4	
Total estimated MCTMT paid on behalf of partner (add lines O1 through O4) .....	O	

**Partner's share of income, deductions, etc.**

A – Partner's distributive share items	B – Federal K-1 amount	C – New York State amount
1 Ordinary business income (loss).....	1	1
2 Net rental real estate income (loss) .....	2	2
3 Other net rental income (loss).....	3	3
4 Guaranteed payments.....	4	4
5 Interest income.....	5	5
6 Ordinary dividends .....	6	6
7 Royalties .....	7	7
8 Net short-term capital gain (loss) .....	8	8
9 Net long-term capital gain (loss) .....	9	9
10 Net section 1231 gain (loss) .....	10	10
11 Other income (loss) <i>Identify:</i> .....	11	11
12 Section 179 deduction .....	12	12
13 Other deductions <i>Identify:</i> .....	13	13
14 Tax preference items for minimum tax .....	14	14
<i>Identify:</i>		
15 Net earnings (loss) from self-employment .....	15	15
16 Tax-exempt income and nondeductible expenses .....	16	16
17 Distributions – cash and marketable securities.....	17	17
18 Distributions – other property .....	18	18
19 Other items not included above that are required to be reported separately to partners .....	19	19
<i>Identify:</i>		

**Partner's share of New York modifications (see instructions)**

20 New York State additions

Number	A – Total amount	B – New York State allocated amount
20a EA –		
20b EA –		
20c EA –		
20d EA –		
20e EA –		
20f EA –		

21 Total addition modifications (total of column A, lines 20a through 20f) ..... 21

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**Partner's share of New York modifications (continued)**

**22 New York State subtractions**

	Number	A - Total amount	B - New York State allocated amount
22a	ES -		
22b	ES -		
22c	ES -		
22d	ES -		
22e	ES -		
22f	ES -		

23 Total subtraction modifications (total of column A, lines 22a through 22f) ..... **23**

**24 Additions to federal itemized deductions**

	Letter	Amount
24a		
24b		
24c		
24d		
24e		
24f		

25 Total additions to federal itemized deductions (add lines 24a through 24f) ..... **25**

**26 Subtractions from federal itemized deductions**

	Letter	Amount
26a		
26b		
26c		
26d		
26e		
26f		

27 Total subtractions from federal itemized deductions (add lines 26a through 26f) ..... **27**

28 New York adjustments to tax preference items ..... **28**

**Partner's other information**

29a Partner's share of New York source gross income ..... **29a**

29b MCTD allocation percentage (see instructions) ..... **29b**

**Partner's credit information**

**Part 1 - Flow-through credit bases and factors**

**Brownfield redevelopment tax credit (Form IT-611 or IT-611.1)**

	A - Form IT-611		B - Form IT-611.1	
30 Site preparation credit component.....	<b>30</b>	<input type="text"/>	<b>30</b>	<input type="text"/>
31 Tangible property credit component .....	<b>31</b>	<input type="text"/>	<b>31</b>	<input type="text"/>
32 On-site groundwater remediation credit component .....	<b>32</b>	<input type="text"/>	<b>32</b>	<input type="text"/>



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**Partner's credit information (continued)**

**EZ capital tax credit (Form IT-602)**

33 Contributions of money to EZ community development projects.....	33	
34 Recapture of credit for investments in certified EZ businesses .....	34	
35 Recapture of credit for contributions of money to EZ community development projects .....	35	

**QEZE tax reduction credit (Form IT-604)**

36 QEZE employment increase factor .....	36	
37 QEZE zone allocation factor .....	37	
38 QEZE benefit period factor.....	38	

**Excelsior jobs program tax credit (Form IT-607)**

39 Excelsior jobs tax credit component.....	39	
40 Excelsior investment tax credit component .....	40	
41 Excelsior research and development tax credit component.....	41	
42 Excelsior real property tax credit component .....	42	

**Farmers' school tax credit (Form IT-217)**

43 Acres of qualified agricultural property.....	43	
44 Acres of qualified conservation property.....	44	
45 Eligible school district property taxes paid .....	45	
46 Acres of qualified agricultural property converted to nonqualified use.....	46	

**Other flow-through credit bases and factors**

Credit bases

Code	Amount	Code	Amount
47a		47d	
47b		47e	
47c		47f	

Credit factors

Code	Factor	Code	Factor	Code	Factor
47g		47i		47k	
47h		47j		47l	

**Part 2 – Flow-through credits, addbacks and recaptures**

48 Long-term care insurance credit (Form IT-249) .....	48	
49 Investment credit (including employment incentive credit and historic barn rehabilitation credit; Form IT-212) .....	49	
50 Research and development – investment credit (Form IT-212) .....	50	

51 Other flow-through credits

Code	Amount	Code	Amount
51a		51e	
51b		51f	
51c		51g	
51d		51h	

52 Addbacks of credits and recaptures

Code	Amount	Code	Amount
52a		52d	
52b		52e	
52c		52f	

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Partner # 316

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**PA SCHEDULE RK-1**  
Resident Schedule of Shareholder/  
Partner/Beneficiary Pass Through  
Income, Loss and Credits  
PA-208/PA-65 RK-1 (05-12) (FI) **2012**

SSN [ ] Last Name [ ] Suffix [ ] First Name [ ] MI [ ]  
Spouse's SSN [ ] If jointly held [ ] Phone Number [ ]  
Name of Owner Receiving RK-1 (if other than an individual)  
FEIN 203161309 BLUE CHIP CAPITAL LLC

First Line of Address [ 27 HIGH TECH BLVD. ] Amended Schedule  Final   
Second Line of Address [ ] Shareholder's stock ownership: \_\_\_\_\_%  Individual  
City or Post Office [ THOMASVILLE ] State [ NC ] ZIP Code [ 27360 ] Beneficiary's year-end distribution: \_\_\_\_\_%  PA S Corp.  
Profit sharing: 00009 %  All Other Corp.  
Loss sharing: 00009 %  Estate/Trust  
Ownership of capital: 00008 %  Partnership  
 LLC  
 Exempt

Name of Entity Issuing RK-1  
MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP  
City or Post Office [ CHICAGO ] State [ IL ] ZIP Code [ 60605 ] Entity: (Fill in one oval only)  
Revenue ID [ ]  Estate/Trust  Partnership  
FEIN 452096875  PA S Corp  LLC  
 Fiscal Year  Short Year  
06/29/12 Begin 12/31/12 End

NOTE: Amounts from this schedule must be reported on the appropriate PA Tax Return.

			Enter whole dollars only
1	PA-Taxable Business Income (Loss) from Operations	If a loss, fill in the oval. <input checked="" type="checkbox"/>	(631)
2	Interest Income		265
3	Dividend Income		613
4	Net Gain (Loss) from the Sale, Exchange or Disposition of Property	If a loss, fill in the oval. <input checked="" type="checkbox"/>	(320)
5	Net Income (Loss) from Rents, Royalties, Patents and Copyrights	If a loss, fill in the oval. <input type="checkbox"/>	
6	Income off/from Estates or Trusts		
7	Gambling and Lottery Winnings (Loss)	If a loss, fill in the oval. <input type="checkbox"/>	
8	Resident Credit. Submit statement		
9	Total Other Credits. Submit statement		
10	Distributions of Cash, Marketable Securities, and Property - not including guaranteed payments		
11	Guaranteed Payments for Capital or Other Services		
12	All Other Guaranteed Payments for Services Rendered		
13	Guaranteed Payments to the Retired Partner		
14	Distributions from PA Accumulated Adjustments Account	If liquidating, fill in the oval. <input type="checkbox"/>	
15	Distributions of Cash, Marketable Securities, and Property		
16	Nontaxable income (loss) or nondeductible expenses required to calculate owner's basis. Submit statement.	If a loss, fill in the oval. <input type="checkbox"/>	
17	Owner's Share of IRC Section 179 allowed according to PA rules		
18	Owner's Share of Straight-Line Depreciation		
19	Partner's Share of Nonrecourse Liabilities at year-end		1,155
20	Partner's Share of Recourse Liabilities at year-end		

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PA SCHEDULE NRK-1
Nonresident Schedule of Shareholder/
Partner/Beneficiary Pass Through
Income, Loss and Credits
PA-203/PA-65 NRK-1 (06-12) (F1) 2012

SSN [ ] Last Name [ ] Suffix [ ] First Name [ ] MI [ ]

Spouse's SSN [ ] If jointly held [ ] Phone Number [ ]

FEIN [203161309] Name of Owner Receiving NRK-1 (if other than an individual) [BLUE CHIP CAPITAL LLC]

First Line of Address [27 HIGH TECH BLVD.]

Second Line of Address [ ]

City or Post Office [THOMASVILLE] State [NC] ZIP Code [27360]

Name of Entity Issuing NRK-1 [MORGAN STANLEY GLOBAL SECONDARY OPPORTUNITIES FUND II LP]

City or Post Office [CHICAGO] State [IL] ZIP Code [60605]

FEIN [452096875] Revenue ID [ ]

- Amended Schedule [ ] Final [ ]
Shareholder's stock ownership: [ ] %
Beneficiary's year-end distribution: [ ] %
Partner's percentage of: [ ]
Profit sharing: 00009 %
Loss sharing: 00009 %
Ownership of capital: 00008 %
Owner: [ ] Individual, [ ] PA S Corp., [ ] All Other Corp., [ ] Estate/Trust, [ ] Partnership, [ ] LLC, [ ] Exempt
Partner: [ ] General Partner or LLC Member - Manager, [ ] Limited Partner or Other LLC Member

NOTE: Amounts from this schedule must be reported on the appropriate PA Tax Return.

Enter whole dollars only

Table with 18 rows and 3 columns: Description, Amount, and Line Number. Rows include PA-Taxable Business Income, Net Gain, Net Income, etc. Row 17 shows 1,155.

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