

Prime Property Fund

3rd Quarter 2021

Investor Statistics & Performance*

Investment Position As of September 30, 2021

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Market Value	\$45,408,544.65	\$43,312,898.60	\$42,547,582.51	\$42,160,345.04
Share Price	\$20,178.58	\$19,247.32	\$18,907.23	\$18,735.15
Shares	2,250.334	2,250.334	2,250.334	2,250.334
Ownership %	0.15%	0.15%	0.16%	0.16%

Dollar-Weighted Rates of Return (IRR) As of September 30, 2021

	Unannualized		Annualized (When Greater Than 12 Months)					Since Inception Mar. 31, 2016
	Current Quarter	Year To Date	1 Year	3 Year	5 Year	10 Year	15 Year	
Investment In Prime Property Fund (1)	5.68%	10.34%	11.70%	5.96%	6.66%	N/A	N/A	6.89%

Statement of Investment Activity As of September 30, 2021

	Current Quarter	Calendar Year To Date	Since Inception Mar. 31, 2016
Beginning Market Value	\$43,312,898.60	\$42,160,345.04	---
Contributions	---	---	37,500,000.00
Reinvested Dividends (2)	---	---	---
Redemptions	---	---	---
Transfers	---	---	---
Change In Accounting Principle (3)	---	---	---
Attributable Base Management Fees (4)	(90,957.09)	(268,842.53)	(1,906,524.44)
Attributable Incentive Management Fees (5)	(1,723.26)	(153,849.27)	(514,156.35)
Attributable Investment Income (6)	429,036.87	1,245,598.83	8,755,339.84
Attributable Capital Appreciation/(Depreciation) (6)	2,186,852.99	3,687,729.95	10,527,964.60
Dividends (2)	(427,563.46)	(1,262,437.37)	(8,954,079.00)
Ending Market Value	\$45,408,544.65	\$45,408,544.65	\$45,408,544.65

Cash Flow Transaction Detail As of September 30, 2021

Transaction Description	Transaction Date	Transaction Dollar Amount	Share Price	# of Shares Transacted	# of Shares Outstanding
Beginning Balance					2,250.334
Cash Dividend (2)	March 31, 2021	353,864.79	18,907.23	.000	2,250.334
Cash Dividend (2)	June 30, 2021	355,778.12	19,247.32	.000	2,250.334
Cash Dividend (2)	September 30, 2021	363,428.46	20,178.58	.000	2,250.334

* Please refer to the endnotes on the following page, including important information in endnotes 7-11.

Prime Property Fund

3rd Quarter 2021

(1) Dollar-Weighted Rate of Return

Dollar-weighted rates of return represent the average annual growth rate of all dollars invested which causes the sum of the present values of all cash flows and the end of period Market Value associated with an investment to be zero. These rates of return are presented net of asset management fees. A dollar-weighted return reflects both the timing and magnitude of cash flows to and from the portfolio and as a result, should not be used to measure the performance of the Adviser. Time-weighted returns, which are a measure of the Adviser independent of the timing and magnitude of contributions to, and withdrawals from, the portfolio, are separately reported each quarter and available upon request from your Relationship Manager.

(2) Dividend/Tax Reporting

These figures represent dividends on securities reflected by Morgan Stanley Real Estate Advisor, Inc. in book entry form in your account during the calendar year. As required by law, Morgan Stanley Real Estate Advisor, Inc. reports taxable dividends paid directly to you or credited to your account as reinvestments to the Internal Revenue Service. The totals reported are indicated as the year-to-date figures on the last statement for the calendar year. In the case of REITs and Real Estate Limited Partnerships, the Sponsor may reclassify income and return of principal into a different ratio for the prior year. This is for information purposes only: when reporting your taxes please rely exclusively on the 1099-DIV or 1042-S form you will receive at the end of the year. Federal law subjects you to penalties and withholding if you fail to provide us with your Social Security or Tax ID Number.

(3) Change In Accounting Principle

Effective January 1, 2008, the Adviser on behalf of the Fund, adopted Accounting Standards Codification 825-10-25 ("ASC 825-10-25"). Election of the fair value option is made on an instrument-by-instrument basis and is irrevocable. The Adviser has elected to record all existing debt at fair value as of January 1, 2008. Although the Fund maintains modest debt balances, consistent with the strategy of a core fund, this practice of recording all existent debt at fair value may increase volatility of the Fund's performance. The adoption of ASC 825-10-25 resulted in an increase to the Fund's NAV of approximately \$143.2 million. The accounting guidance required this adjustment to be made directly to the Fund's NAV as of January 1, 2008. This adjustment and all subsequent adjustments to mark debt to fair value will be reflected in the Fund's appreciation return.

(4) Attributable Base Management Fees

The Fund pays the Adviser a "Base Management Fee" equal to 84 basis points per annum of Net Asset Value (as of the beginning of each calendar quarter) payable quarterly in arrears and an Incentive Management Fee described in endnote (5). For informational purposes only, these Fund-level fees have been attributed to the individual investors in the Fund on a pro rata basis during this period. The Shareholders do not have a direct investment management relationship with the Adviser, however, and liability for payment of the Adviser's fees resides solely with the Fund.

(5) Attributable Incentive Management Fee

The Fund pays the Adviser an Incentive Management Fee based on Comparable Property Net Operating Growth as calculated in accordance with Amendment No. 5 to the Fund's Operating Agreement. The Incentive Management Fee accrues monthly and is payable annually in arrears. For informational purposes only, these Fund-level fees have been attributed to the individual investors in the Fund on a pro rata basis during this period. The Shareholders do not have a direct investment management relationship with the Adviser, however, and liability for payment of the Adviser's fees resides solely with the Fund.

(6) Attributable Investment Income; Attributable Capital Appreciation/(Depreciation)

For informational purposes only, Fund-level Investment Income (gross of Investment Management Fees) and Fund-level Capital Appreciation/(Depreciation) have been attributed to the individual investors in the Fund on a pro rata basis during the periods presented.

(7) Errors Inquiries

If you do not understand an entry on your statement or suspect an error, it is essential that you immediately contact the Relationship Manager servicing your account. We will consider your statement correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand.

Prime Property Fund

3rd Quarter 2021

(8) Valuation of Real Estate Assets

Real Estate valuations have inherent limitations because of the uniqueness of real property assets, the need to project rental income which is inherently unreliable, and the absence of frequent trading. Accordingly, appraised valuations for each of the Fund's assets do not necessarily reflect the price at which an asset will actually trade. The Fund commissions an appraisal of each property on a quarterly basis. This appraisal is generally reported in a limited restricted report format, although it is reported in an expanded summary report format on an annual basis for approximately one third of the Fund's properties (so that each property receives an expanded summary report at least once every three years).

(9) Past Performance Not an Indicator of Future Results

The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your Shares. Current performance may be higher or lower than the performance data quoted.

(10) Securities Not Government-Guaranteed/Complaint Procedures

Securities held in your account are neither deposits nor obligations of, nor endorsed or guaranteed by, any bank or other depository institution, nor are they federally insured by the FDIC or any other agency. Customer complaints may be directed to the Relationship Manager servicing your account or mailed to Morgan Stanley Real Estate Advisor, Inc.; 1585 Broadway; 37th Floor; New York, NY 10036; Attention: PRIME Portfolio Manager.

(11) Statement Not an Offer

This statement is not an offer to sell or a solicitation of an offer to buy any securities (including interests in the Fund) and is intended solely as an informational communication with existing investors in the Fund. Sales of interests in the Fund are made solely by the confidential offering memorandum related thereto.