MORGAN STANLEY MUTUAL FUND

Morgan Stanley

Fact Sheet

March 2011

FIXED INCOME OVERVIEW

Set against a backdrop of low expectations, the Indian budget for next fiscal has surprised positively on most counts, but disappointed on the arithmetic. The budget numbers are based on nominal GDP growth of 14%, gross tax revenues rising 18.5%, and expenditure rising 3.4%. The FY12 deficit of Rs. 4128 bn or 4.6% of GDP is lower than consensus estimates of 4.8%. Consequently, the gross and net market-borrowing program of the Government stands at Rs. 4.1 trillion (gross) and Rs. 3.4 trillion (net). While the revenue and growth assumptions appear realistic, the expenditure numbers appear optimistic. Overall expenditures are expected to rise by just 3.4% during the year. The key item, subsidy, where the budget projects a 12.5% y-o-y contraction, seems unrealistic for two reasons. The fuel subsidy is pegged at Rs. 200 bn against the estimated oil under recoveries at ~INR 1000 bn, implying that the Government share would be close to Rs. 500 bn and the food subsidy, similar to last year, is pegged at Rs. 606 bn. However, the likely introduction of the food subsidy bill would result in an additional outgo of Rs. 200 bn. Depending on the implementation of the food subsidy bill, the total expenditure budget is likely to overshoot by ~Rs. 300-500 bn, which is likely to take the headline deficit number to 4.9%-5.1%.

Meanwhile, the India Q3 FY11 GDP surprised the market on the downside as it clocked growth of 8.2% over the corresponding quarter against the market expectation of 8.7%. The numbers show a moderation in industry and services GDP growths but show a robust agricultural growth. Agriculture sector in Q3 FY11 recorded an impressive growth rate of 8.9%, the highest growth rate on record. Industry GDP growth moderated to 5.7% (8.9% in the previous quarter), while Services GDP, too moderated to register a growth of 8.7% (9.6% in the previous quarter).

The Industrial production growth in December continued to trend lower recording 1.6%, the lowest growth in 20 months. The November IIP was revised to 3.6% from 2.7% recorded earlier. The weak December number was due to dismal performance of capital and consumer non-durable sub-sectors. Going ahead, the adverse base effects coupled with the impact of past policy rate hikes and higher input costs will ensure that IIP growth remains in low single digits in the near term. While there is a deceleration in growth, inflation continues to be a bigger problem. Wholesale price inflation has remained above 7% for thirteen months now, while consumer price inflation (for industrial workers) has been above 8% since June 2008. Although rapidly rising food and international commodity prices are partly to blame, the longer such high rates of inflation persist the more likely they are to leak into wage growth and hence core inflation. The headline WPI remained sticky at 8.23% in Jan (vs. revised 8.4% last month). The key positive is the broad-based deceleration in manufactured products inflation, which registered a growth of 3.8% from 4.5% in the previous month.

Globally, the political developments in Africa dominated headlines in February. The events that had started with ouster of the Egypt's longstanding President grew into a fire in Libya, hitting oil production there. The other countries affected by calls for change were Bahrain, Oman, Morocco, Jordan and Yemen, but they are yet to assume significant proportions. As a result, the Crude oil remained on a boil as fears of supply disruptions and geo-political tension sent prices higher.

On rate front, despite coupon and maturities inflow, the domestic liquidity continued to remain tight with overnight rates hovering around the central bank's lending rates and the LAF numbers on few days crossing the INR 1 trillion mark. The 1-year certificate of deposit has breached the double-digit mark owing to the strong CDs issuance from banks. However, the Sovereign bonds witnessed a sharp rally during the month as the underlying sentiment improved with a possibility of no fresh supply until the next fiscal. The lower than expected net market borrowing for next fiscal also helped in positive sentiment.

Portfolio review for February '11

The systemic liquidity continues to remain tight while the GOI curve improved marginally. The Non-SLR and term asset yields saw a sharp rise tracking the tight liquidity and issuance pressure. In Short-term plan, we continue to run marginal duration.

Expectations for March '11

The domestic liquidity scenario is likely to remain tight with advance tax outflow. In Short-term plan the focus will continue to generate accrual income with marginal duration risk.

Key Financial Data

Benchmark	Current Month	Previous Month	Previous Financial Year	Change	Change
	28/02/11	31/01/11	31/03/10	Monthly Change	Change since March
364 Day T-bill (Primary)	7.68%	7.59%	5.14%	0.08%	2.53%
5-year Gilt Benchmark	8.02%	8.14%	7.53%	–0.12%	0.49%
10-year Gilt Benchmark	8.02%	8.16%	7.83%	–0.15%	0.18%
30-year Gilt Benchmark	8.53%	8.56%	8.80%	–0.03%	–0.27%
91 Day Manufacturing CP(P1+)	10.56%	9.73%	5.75%	0.84%	4.81%
91 day Bank CD	10.05%	9.30%	9.75%	0.75%	0.30%
1-yr AAA Spreads	2.16%	1.86%	1.55%	0.30%	0.61%
5-yr AAA Spreads	1.26%	1.07%	0.90%	0.19%	0.36%
5-yr OIS	8.11%	7.98%	6.88%	0.13%	1.24%
CRR	6.00%	6.00%	5.75%	0.00%	0.25%
RBI LAF- Reverse Repo Rate*	5.50%	5.50%	3.50%	0.00%	2.00%
Foreign Exchange Reserve ($ bn)	300.63	299.17	277.04	1.46	23.59
Nymex Crude	96.97	92.19	83.76	4.78	13.21
US Fed Funds Rate	0.25%	0.25%	0.25%	0.00%	0.00%
US 10-yr Gilt	3.43%	3.37%	3.83%	0.06%	–0.40%
INR/USD	45.27	45.91	44.92	–1.38%	0.79%
USD/Euro	1.38	1.37	1.35	–0.82%	–2.19%
USD/Yen	81.78	82.04	93.47	–0.32%	–12.51%

*RBI Repo Rate at 6.50%

Sources – Internal & Bloomberg

Ritesh Jain

Head of Fixed Income & Lead Portfolio Manager, Fixed Income Boutique

EQUITY OVERVIEW

February end is budget time and like every other year it turned out to be an event with significant impact on Indian equities. In contrast to previous years, the mood going into the budget this year was quite subdued; expectations were low considering the political impasse in the parliament, lack of policy traction in the last few months and the global macro economic challenges facing the country. In this context the budget turned out to be much better and straight forward in continuing on its path of fiscal consolidation, with neither major tinkering on any tax proposals nor announcing any major expenditure plans. No wonder the equity markets had a sigh of relief, rebounded over 3.5% on the post budget day.

The intent of the budget is clear that the country is moving ahead on the fiscal consolidation path. Bringing fiscal deficit target down to 4.6% of GDP and restricting expenditure growth are extremely sound moves. Many have argued that the assumptions for the budget are aggressive, assuming 9% GDP growth and containing Government Expenditure growth at just 3% (against over 15% CAGR over the last 3 years) are utopian ideas, unlikely to be achieved. This may be particularly challenging considering the current state of crude oil and global commodity prices and hence in a way the budget estimates are a bit of a gamble that FM is taking. However, by not increasing taxes and keeping the overall Government borrowing under check, the Finance Minister has attempted to give economic growth a push. Also by keeping the expenditure line growth at moderate levels, the government is taking on the burden of ensuring its expenditure, particularly subsidies, are under tight control.

The other key challenge is to maintain the 8-9% economic growth in an environment of high inflation and high interest rates. For the forthcoming year, the consumption spending should continue to remain buoyant considering the rising wages and pent up demand. However, industrial and infrastructure growth would be critical and the budget seeks to significantly enhance the flow of funds to these sectors. Also significant increase in credit availability has been announced for the agriculture sector which is again critical. There are also clear signals to move ahead with committed structural reforms such as country wide GST, Direct Tax Code and revamping of subsidy delivery systems particularly for petroleum products.

Whether the budget targets are aggressive or otherwise is unlikely to be decided right now. Hence the focus will now shift back to global and geo-political events. The crisis in the Middle-East, particularly in Libya raises concerns not only on the supply of crude oil and but also the likely ramification of an unstable Middle-East on the global economic outlook. This is definitely not a good signal for global equities and hence markets are expected to remain choppy and volatile, until the crisis see some resolution.

Our portfolio actions in the last few months have been governed by the changing global scenario and with regards to inflation and growth in India. It does appear now that the inflation, particularly industrial inflation, may remain high for some time and hence our portfolio changes are towards sectors and stocks which can continue to demonstrate growth in earnings in an inflationary environment. Our overweight is now in global cyclical sectors such as Software Services, Pharmaceuticals, Oil and Gas and Metals. Domestic cyclical sectors such as Banking, Automobiles and Industrials, Capital Goods and Infrastructure, which were the key overweight, last year, are now underweight. Mid-cap holdings have been brought down to the 15-18% range, considering that higher inflation and interest rate is likely to hurt corporate profits for mid-size companies. Flexibility is the key attribute of our strategy and the changed sector allocation along with a slightly higher level of cash should see us through these volatile times. We remain very watchful of the emerging global situation and will not hesitate to make the changes quickly as and when the situation arises.

Jayesh Gandhi

Lead Portfolio Manager, Mid-Multi Cap Equities

Morgan Stanley A.C.E. Fund

(An open-ended Across Capitalisations Equity Fund)

CRISIL Fund Rank 1
Morgan Stanley A.C.E. Fund
Diversified Equity Category, as of quarter ended Dec.'10

Details as on Feb. 28, 2011

Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
Banks		**18.51%**
	✓ ICICI Bank Limited	5.22%
	✓ HDFC Bank Limited	4.06%
	✓ State Bank of India Limited	2.73%
	ING Vysya Bank Limited	1.62%
	Axis Bank Limited	1.54%
	Bank of Baroda	1.51%
	Dhanlaxmi Bank Limited	1.19%
	IndusInd Bank Limited	0.64%
Software		**11.98%**
	✓ Infosys Technologies Limited	6.48%
	✓ Tata Consultancy Services Limited	3.39%
	Wipro Limited	2.11%
Petroleum Products		**8.40%**
	✓ Reliance Industries Limited	8.40%
Pharmaceuticals		**6.78%**
	Cadila Healthcare Limited	2.33%
	Sun Pharmaceutical Industries Limited	1.88%
	Aurobindo Pharma Limited	1.70%
	Jubilant Life Sciences Limited	0.87%
Consumer Non Durables		**6.40%**
	✓ ITC Limited	6.40%
Auto		**5.44%**
	Mahindra and Mahindra Limited	2.22%
	Tata Motors Limited	1.84%
	TVS Motor Company Limited	1.38%
Ferrous Metals		**5.21%**
	✓ Jindal Steel and Power Limited	3.95%
	Usha Martin Limited	1.26%
Construction Project		**4.55%**
	✓ Larsen and Toubro Limited	3.68%
	Voltas Limited	0.87%
Non - Ferrous Metals		**4.21%**
	✓ Hindustan Zinc Limited	2.79%
	Hindalco Industries Limited	1.42%
Power		**3.35%**
	Power Grid Corporation of India Limited	2.53%
	Reliance Infrastructure Limited	0.82%
Transportation		**3.21%**
	IRB Infrastructure Developers Limited	1.87%
	Spice Jet Limited	1.34%
Gas		**2.58%**
	GAIL India Limited	2.58%
Media & Entertainment		**2.18%**
	Zee Entertainment Enterprises Limited	2.18%
Oil		**2.06%**
	Cairn India Limited	2.06%
Construction		**1.93%**
	Sobha Developers Limited	1.34%
	Oberoi Realty Limited	0.59%
Finance		**1.76%**
	Infrastructure Development Finance Company Limited	1.28%
	Manappuram General Finance and Leasing Limited	0.48%
Retailing		**0.97%**
	Shoppers Stop Limited	0.97%
Engineering Services		**0.87%**
	Va Tech Wabag Limited	0.87%
Auto Ancillaries		**0.10%**
	Exide Industries Limited	0.10%
Cash and other assets		**9.51%**
Grand Total		**100.00%**

Fund Features:

Asset Allocation:
Equity and Equity Related Instruments: 65% – 100%
Debt and Money Market Instruments (including Securitised Debt): 0 – 35%

NAV (₹):
Growth 13.866 per unit
Dividend 13.054 per unit

Expense Ratio:
2.33% of average daily net assets

Portfolio Turnover:
1.36

Fund AUM:
₹ 370.65 crore

Performance (in %)

Period	Fund Returns	BSE 200
1 Year	7.85	5.51
Since inception (April 03, 2008)	11.91	4.00

Past performance is not a guarantee of future returns. Compounded annualised returns of the growth option are computed. Since Inception returns are calculated on ₹ 10/- invested at inception.

SIP Performance - Growth option (as on Feb. 28, 2011)

		MSACE		Benchmark - BSE 200	
₹ 2000 invested every month	Amount Invested (₹)	Present Value (₹)	Returns XIRR %	Present Value (₹)	Returns XIRR %
2 years	48000	57854.84	19.20	55792.25	15.28
Since inception*	68000	93747.93	23.50	87202.78	17.96

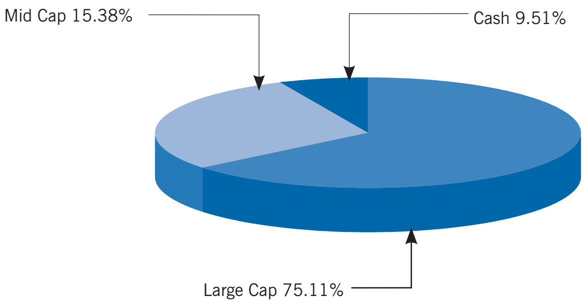
Past performance is not a guarantee of future returns. For SIP returns, monthly investment of equal amounts invested on the first business day of every month have been considered. *The 1st SIP date is considered as May 02, 2008.

Dividend History

Record Date	Dividend Per Unit (₹)	Ex Dividend NAV (₹)
Nov. 04, 2010	1.00	16.076

Note: Face Value Rs. 10/- per unit.

Market Cap Classification



Market Cap Definition:
Mid Cap < ₹ 5000 crore
Large Cap >= ₹ 5000 crore

CRISIL Fund Rank 1 Open Ended Diversified Equity Scheme, December 2010. **Ranking Methodology:** CRISIL Fund Rank 1 – The mutual fund ranking of Morgan Stanley ACE Fund is "Very Good" in the Open Ended Diversified Equity Category, and ranks within the Top 10 percentile of the 76 schemes ranked in this category. The criteria used in computing the CRISIL Mutual Fund Ranking are Superior Return Score, based on NAVs over the 2-year period ended December 31, 2010, Concentration and Liquidity of the scheme. The methodology does not take into account the entry and exit loads levied by the scheme. The CRISIL Mutual Fund Ranking is no indication of the performance that can be expected from the scheme in future.

Morgan Stanley Growth Fund

(An open-ended Equity Fund)

Details as on Feb. 28, 2011

Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
Banks		**18.40%**
	✓ HDFC Bank Limited	7.94%
	✓ ICICI Bank Limited	3.97%
	✓ IndusInd Bank Limited	3.87%
	State Bank of India Limited	1.67%
	Bank of Baroda	0.95%
Software		**13.86%**
	✓ Infosys Technologies Limited	8.03%
	✓ Tata Consultancy Services Limited	5.83%
Pharmaceuticals		**8.24%**
	✓ Dr. Reddy's Laboratories Limited	4.26%
	✓ Glenmark Pharmaceutical Limited	2.72%
	Aurobindo Pharma Limited	1.26%
Petroleum Products		**8.00%**
	✓ Reliance Industries Limited	8.00%
Consumer Non Durables		**7.52%**
	✓ ITC Limited	3.85%
	Nestle India Limited	1.24%
	Asian Paints Limited	1.22%
	Shree Renuka Sugars Limited	1.21%
Media & Entertainment		**6.57%**
	✓ Sun TV Network Limited	3.67%
	Television Eighteen India Limited	1.10%
	Deccan Chronicle Holdings Limited	0.92%
	DB Corp Limited	0.52%
	IBN18 Broadcast Limited	0.36%
Auto		**4.37%**
	Mahindra and Mahindra Limited	1.93%
	Tata Motors Limited	1.29%
	Ashok Leyland Limited	0.89%
	Bajaj Auto Limited	0.25%
	Hero Honda Motors Limited	0.01%
Construction Project		**4.31%**
	Larsen and Toubro Limited	2.33%
	Voltas Limited	0.99%
	Gammon India Limited	0.99%
Industrial Capital Goods		**4.17%**
	Crompton Greaves Limited	1.50%
	AIA Engineering Limited	1.34%
	Thermax Limited	1.33%
Ferrous Metals		**3.36%**
	Jindal Steel and Power Limited	2.17%
	Usha Martin Limited	1.19%
Industrial Products		**3.36%**
	Ess Dee Aluminium Limited	1.82%
	Cummins (India) Limited	1.54%
Non - Ferrous Metals		**3.12%**
	Hindalco Industries Limited	1.97%
	Hindustan Zinc Limited	1.15%
Finance		**2.23%**
	Manappuram General Finance and Leasing Limited	1.12%
	Infrastructure Development Finance Company Limited	1.11%
Power		**2.18%**
	KSK Energy Ventures Limited	1.71%
	Jaiprakash Power Ventures Limited	0.47%
Auto Ancillaries		**1.34%**
	Motherson Sumi Systems Limited	1.34%
Hardware		**1.20%**
	Redington India Limited	1.20%
Gas		**1.20%**
	GAIL (India) Limited	1.20%
Fertilisers		**1.17%**
	Coromandel International Limited	1.17%
Construction		**1.16%**
	Oberoi Realty Limited	0.65%
	The Phoenix Mills Limited	0.51%
Transportation		**0.88%**
	Spice Jet Limited	0.88%
Retailing		**0.86%**
	Pantaloon Retail India Limited	0.86%
Cash and other assets		**2.50%**
Grand Total		**100.00%**

Fund Features:

Asset Allocation:

Equity and Equity related instruments of companies having large market capitalization#: 65 – 100%

Equity and Equity related instruments other than mentioned in above: 0 – 35%

Debt and Money Market Instruments (including Securitised Debt): 0 – 35%

NAV (₹):

Growth 57.465 per unit

Dividend* 17.543 per unit

*option introduced on Jan. 19, 2009

Expense Ratio:

1.90% of average daily net assets

Portfolio Turnover:

0.57

Volatility Measures:

(for trailing 3 year period)

Standard Deviation	9.56%
Beta	0.92
Sharpe Ratio[1]	–0.21

Fund AUM:

₹ 1528.82 crore

[1] Risk Free rate is based on 3 month T-Bill rate

Performance (in %)

Period	Fund Returns	BSE 100
1 year	4.08	5.72
3 years	–1.42	–0.52
5 years	6.68	11.29
Since Inception (18th February 1994)	12.75	9.74

Past performance is not a guarantee of future returns. Compounded annualised returns of the Growth Option has been calculated based on the assumption that all dividends during the period have been reinvested in the scheme at the then prevailing NAV.

SIP Performance - Growth option (as on Feb. 28, 2011)

		MSGF		Benchmark - BSE 100	
₹ 2000 invested every month	**Amount Invested (₹)**	**Present Value (₹)**	**Returns XIRR %**	**Present Value (₹)**	**Returns XIRR %**
2 years	48000	52654.73	9.23	53562.39	10.99
Since inception*	50000	56549.08	11.89	57570.82	13.69

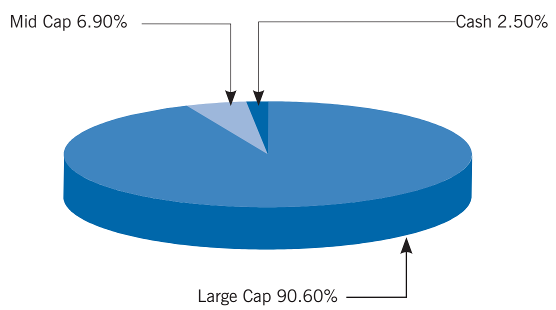
Past performance is not a guarantee of future returns. For SIP returns, monthly investment of equal amounts invested on the 1st business day of every month have been considered. *MSGF became open ended on January 19, 2009, and the first SIP date is considered as February 02, 2009.

Dividend History

Record Date	Dividend Per Unit (₹)	Ex Dividend NAV (₹)
Nov. 04, 2010	1.50	22.258

Note: Face Value Rs. 10/- per unit. For details of dividends declared since inception of MSGF, please refer our website.

Market Cap Classification#



#For the purpose of this Scheme, any company having a minimum threshold limit of market capitalization which is equal to or more than the market capitalization of the 100th stock in BSE 100, as on the date of investment shall qualify as Large Cap Company.

CRISIL Fund Rank 1
Morgan Stanley Short Term Bond Fund
Debt Short Term Category, as of quarter ended Dec.'10

Morgan Stanley Short Term Bond Fund

(An open-ended Debt Fund)

Details as on Feb. 28, 2011

Portfolio

Security Description	Rating	% of Total Net Assets
Money Market Instruments		**91.11%**
Reliance Capital Ltd.	A1+	9.22%
Canara Bank	P1+	9.20%
Federal Bank Ltd.	PR1+	9.20%
State Bank of Bikaner and Jaipur	P1+	9.19%
Punjab National Bank	P1+	9.19%
Jammu and Kashmir Bank Ltd.	P1+	9.18%
IDBI Bank	P1+	9.00%
UCO Bank	P1+	9.00%
Kotak Mahindra Prime Ltd.	P1+	8.97%
Axis Bank Ltd.	P1+	8.95%
Cash & Current Assets		**8.89%**
Grand Total		**100.00%**

Performance (in %)

Period	Regular Plan	Institutional Plus Plan	Crisil Short Term Bond Fund Index
1 year	5.79	6.06	4.87
Since inception (May 26, 2009)	5.40	5.72	4.52

Past performance is not a guarantee of future returns. Compounded Annualised returns are computed using NAV of Growth Option. Since Inception returns are calculated on ₹ 10/- invested at inception.

Fund Features:

Plans/Options and NAV (₹):

Institutional Plus Plan

Weekly Dividend Reinvestment: 10.0800

Monthly Dividend (Payout and Reinvestment): 10.0612

Growth: 11.0302

Regular Plan

Weekly Dividend Reinvestment: 10.0627

Monthly Dividend (Payout and Reinvestment): 10.0572

Growth: 10.9662

Expense Ratio:

Institutional Plus Plan 0.60%

Regular Plan 0.90%

Average Maturity: 1.64 months

Modified Duration: 0.13 years

Yield to Maturity: 9.09%

Rating:

Credit risk rating mfAAA by ICRA#

Fund AUM:

₹ 54.10 crore

Rating Profile

Rating Category	
AAA	91.11%
Cash & Current Assets	8.89%
Grand Total	**100.00%**

Asset Allocation

Asset Class	
Money Market Instruments	91.11%
Cash & Current Assets	8.89%
Grand Total	**100.00%**

Dividend History

Plan/Frequency	Record Date	Non-Individuals Per Unit (₹)	Individuals Per Unit (₹)	Ex Dividend NAV (₹)
Regular Plan-Monthly Dividend	Feb. 25, 2011	0.0440	0.0472	10.0505
Regular Plan-Monthly Dividend	Jan. 28, 2011	0.0408	0.0438	10.0434
Regular Plan-Monthly Dividend	Dec. 31, 2011	0.0471	0.0505	10.0335

Note: Face Value ₹ 10 per unit.

CRISIL Mutual Fund Rank 1 Debt Short Schemes, December 2010. **Ranking Methodology:** CRISIL Fund Rank 1 – The mutual fund ranking of Morgan Stanley Short Term Bond Fund is "Very Good" in the Debt Short Category, and ranks within the Top 30 percentile of the 31 schemes ranked in this category. The criteria used in computing the CRISIL Mutual Fund Ranking are Superior Return Score, based on NAVs over the 1-year period ended December 31, 2010, Concentration and Liquidity of the scheme. The methodology does not take into account the entry and exit loads levied by the scheme. The CRISIL Mutual Fund Ranking is no indication of the performance that can be expected from the scheme in future.

Morgan Stanley Active Bond Fund

(An open-ended Debt Fund)

Details as on Feb. 28, 2011

Portfolio

Security Description	Rating	% of Total Net Assets
Cash & Current Assets		100.00%
Grand Total		**100.00%**

Rating Profile

Rating Category	
Cash & Current Assets	100.00%
Grand Total	**100.00%**

Asset Allocation

Asset Class	
Cash & Current Assets	100.00%
Grand Total	**100.00%**

Performance (in %)

Period	Regular Plan	Crisil Composite Bond Fund Index
1 year	3.29	4.97
Since inception (May 28, 2009)	2.09	4.36

Past performance is not a guarantee of future returns. Compounded Annualised returns are computed using NAV of Growth Option. Since Inception returns are calculated on ₹ 10/- invested at inception.

Fund Features:

Plans/Options and NAV (₹):

Institutional Plus Plan

Quarterly Dividend (Payout and Reinvestment): 10.0000

Growth: 10.0000

Regular Plan

Quarterly Dividend (Payout and Reinvestment): 10.3673

Growth: 10.3673

Expense Ratio:

Institutional Plus Plan 1.20%

Regular Plan 1.75%

Average Maturity: 0.03 months

Modified Duration: 0.003 years

Yield to Maturity: 5.91%

Rating:

Credit risk rating mfAAA by ICRA#

Fund AUM:

₹ 0.67 crore

#ICRA has assigned the "Credit Risk Rating mfAAA" to Morgan Stanley Short Term Bond Fund and Morgan Stanley Active Bond Fund which means that both funds carry the lowest credit risk, similar to that associated with long-term debt obligations rated in the highest-credit-quality category. This rating should however, not be construed as an indication of the performance of the aforesaid Funds or of volatility in their returns. Further, the above rating should not be treated as ICRA's recommendation to buy, sell or hold the units issued under the said Funds.

Funds at a glance

Particulars	Morgan Stanley A.C.E. Fund	Morgan Stanley Growth Fund	Morgan Stanley Short Term Bond Fund	Morgan Stanley Active Bond Fund
Nature of the Fund	An open-ended Across Capitalisations Equity Fund	An open-ended Equity Fund (open-ended from Jan. 19, 2009)	An open-ended Debt Fund	An open-ended Debt Fund
Date of Allotment	April 03, 2008	February 18, 1994	May 26, 2009	May 28, 2009
Fund Manager	Jayesh Gandhi	Sridhar Sivaram Amay Hattangadi	Ritesh Jain	Ritesh Jain
Investment Objective	To generate long-term capital growth from an actively managed portfolio of equity and equity-related securities including equity derivatives.	To achieve long-term capital appreciation by investing primarily in equity and equity related securities of companies having large market capitalization#.	To generate income from a diversified portfolio of short to medium term debt and money market securities.	To generate optimal returns through active management of the portfolio consisting of debt and money market securities.
Benchmark	BSE 200	BSE 100	CRISIL Short-Term Bond Fund Index	CRISIL Composite Bond Fund Index
Investment Plan/ Options	• Growth • Dividend Option - Reinvestment and Payout	• Growth • Dividend Option - Reinvestment and Payout	Institutional Plus Plan • Growth Option • Dividend Option - Weekly Reinvestment - Monthly Reinvestment and Payout Regular Plan • Growth Option • Dividend Option - Weekly Reinvestment - Monthly Reinvestment and Payout	Institutional Plus Plan • Growth Option • Dividend Option - Quarterly Reinvestment and Payout Regular Plan • Growth Option • Dividend Option - Quarterly Reinvestment and Payout
Minimum Investment Amount	Lumpsum: ₹ 5000 and in multiples of ₹ 1/- thereafter SIP: ₹ 1000/- via minimum 6 installments Group SIP: ₹ 250/- via minimum 6 installments	Lumpsum: ₹ 5000 and in multiples of ₹ 1/- thereafter SIP: ₹ 1000/- via minimum 6 installments Group SIP: ₹ 250/- via minimum 6 installments	Lumpsum: Regular Plan - ₹ 5000/- and multiples of ₹ 1/- thereafter Institutional Plus Plan - ₹ 50 lacs and in multiples of ₹ 1/- thereafter SIP: (Regular Plan Only) ₹ 1000/- via minimum 6 installments Group SIP: ₹ 250/- via minimum 6 installments	Lumpsum: Regular Plan - ₹ 5000/- plus in multiples of ₹ 1/- thereafter Institutional Plus Plan - ₹ 50 lacs plus in multiples of ₹ 1/- thereafter SIP: (Regular Plan Only) ₹ 1000/- via minimum 6 installments Group SIP: ₹ 250/- via minimum 6 installments
Additional Investment	₹ 1000 and in multiples of ₹ 1/- thereafter	₹ 1000 and in multiples of ₹ 1/- thereafter	Regular Plan - ₹ 1000/- and in multiples of ₹ 1/- thereafter Institutional Plus Plan- ₹ 1 lac and in multiples of ₹ 1/- thereafter	Regular Plan - ₹ 1000/- and in multiples of ₹ 1/- thereafter Institutional Plus Plan- ₹ 1 lac and in multiples of ₹ 1/- thereafter
Minimum Repurchase amount	₹ 1000/- and in multiples of ₹ 1/- thereafter	₹ 1000/- and in multiples of ₹ 1/- thereafter	₹ 1000/- and in multiples of ₹ 1/- thereafter	₹ 1000/- and in multiples of ₹ 1/- thereafter
SIP/STP Dates	1st, 5th, 10th, 15th, 20th, 25th of every Month/Quarter	1st, 5th, 10th, 15th, 20th, 25th of every Month/Quarter	1st, 5th, 10th, 15th, 20th, 25th of every Month/Quarter	1st, 5th, 10th, 15th, 20th, 25th of every Month/Quarter
Entry Load	Nil.	Nil.	Nil.	Nil.
Exit Load	1% if redeemed/switched on or before the expiry of one year from the date of allotment; otherwise: Nil.	1% if redeemed/switched on or before the expiry of one year from the date of allotment; otherwise: Nil.	Nil.	Nil.

#For the purpose of this Scheme, any company having a minimum threshold limit of market capitalization which is equal to or more than the market capitalization of the100th stock in BSE 100, as on the date of investment shall qualify as Large Cap Company.

Morgan Stanley Mutual Fund Branch Offices

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