

Fact Sheet

May 2011



FIXED INCOME OVERVIEW

Inflation has remained the single biggest issue for the RBI to tackle over the last one year, and it has grown from bad to worse. WPI shot up to 8.98% in Mar. '11 from 8.31% in Feb. '11 and almost a full percentage point above RBI's upwardly revised estimate of 8%. Food price inflation rose to 6.8% y-o-y in March against 6.5% in February, while non-food manufacturing inflation rose to 7.1% from 6.1% during the same period. Thus, inflation has clearly shifted gears from primarily being a food-inflation driven WPI to a full-fledged core-inflation driven WPI. Crude oil continues to remain at elevated levels. Hence, an impending hike in fuel prices along with sharp revisions in the Jan. '11 WPI to 9.35% y-o-y from 8.23% reported earlier have raised fears of a double digit WPI going ahead. With RBI policy meeting slated on May 03, 2011, fixed-income market sentiment is weighed down by fears of an aggressive anti-inflationary stance by RBI.

Sovereign bond auctions started in the new financial year after a hiatus of about two months and the new 10-year benchmark bond saw an aggressive auction cut-off of 7.80%. However, despite aggressive cut-off, fears on both inflation and fiscal front exacerbated by high crude prices led to a sharp correction in the sovereign yields. GoI resorted to issuing short maturity cash management bills worth INR 260bn to tide over temporary liquidity needs, thus creating an upward pressure on the money market yields.

IIP growth moderated to 3.6% y-o-y in Feb. '11 from an upwardly revised 3.9% y-o-y in Jan. '11. The sluggishness was led by capital goods, which fell 18.4% y-o-y in Feb. '11 on the back of 18.8% y-o-y fall in Jan., even as the intermediate goods and consumer goods showed robust growth rates of 8.4% and 11.1% respectively. The slowdown in IIP along with fears of slowdown in GDP growth is likely to make the job of RBI tougher as it struggles to strike the right balance between inflation and growth.

Systemic liquidity returned to the deficit mode after temporarily turning positive in the beginning of April. Weekly govt. borrowing of INR 120bn, a high credit-deposit ratio and use of liquidity deficit as a monetary tool by RBI is expected to keep systemic liquidity in a deficit mode in the months ahead.

India's exports rose 37.5% in FY11 to close the year at USD 245.9bn, significantly higher than the government's target of USD 200bn for the last financial year. Imports for the same period stood at USD 350.3bn, up by 22% in y-o-y terms. Trade deficit number thus fell to USD 104.4bn in FY11 from USD 108.2bn in FY10.

Commodities continued to record a strong performance, with most commodities trading at close to peak in the recent past. Nymex traded broadly in the range of \$106 - \$113 per barrel for most of the month while gold inched up to a record high of 1563 \$/oz and silver to a record 48 \$/oz by the end of April. Record commodity prices are expected to increase pressure on central banks around the world.

On the global front, ECB became the first major central bank among developed economies to raise rates. It hiked the key interest rates by 25 bps on April 07, 2011 in the wake of upside risks to inflation and the fear of the same leading to broad based inflationary pressures in the long term. China intensified its war on

inflation by raising benchmark loan and deposit rates by 25 bps in early April and then following it up with 50 bps hike in the reserve requirement ratio during the later half of the month. On the other hand, the Federal Reserve in its FOMC meeting held on April 27 reiterated its support to "exceptionally low levels for the federal funds rate for an extended period". Significantly, S&P lowered its outlook on the US government debt to negative, thus indicating that US cannot be complacent about its deficit reduction strategy.

Portfolio review for April '11

Money market rates came down sharply in the beginning of April as the 'March-effect' wore off and systemic liquidity temporarily turned positive. However, subsequent return to the liquidity deficit mode and high inflation leading to fears of aggressive monetary stance weighed down sentiments and yields inched up slowly. Short Term Bond Fund gained from the marginal increase in duration that it had effected in March.

Expectations for May '11

Systemic liquidity is likely to remain in the deficit mode. The yield curve is likely to remain range-bound in the near future.

Key Financial Data

Benchmark	29/04/11	31/03/2011	Change since March 11
364 Day T-bill (Primary)	7.76%	7.64%	0.12%
5-year Gilt Benchmark	8.24%	7.95%	0.29%
10-year Gilt Benchmark	8.13%	7.99%	0.14%
30-year Gilt Benchmark	8.50%	8.36%	0.14%
91 Day Manufacturing CP(P1+)	9.33%	10.36%	-1.03%
91 day Bank CD	8.80%	9.70%	-0.90%
1-yr AAA Spreads	1.72%	2.02%	-0.30%
5-yr AAA Spreads	1.05%	1.28%	-0.23%
5-yr OIS	8.28%	7.97%	0.31%
CRR	6.00%	6.00%	0.00%
RBI LAF- Reverse Repo Rate*	5.75%	5.75%	0.00%
Foreign Exchange Reserve (\$ bn)	309.71	303.48	6.22
Nymex Crude	113.93	106.72	7.21
US Fed Funds Rate	0.25%	0.25%	0.00%
US 10-yr Gilt	3.29%	3.47%	-0.18%
INR/USD	44.22	44.59	-0.82%
USD/Euro	1.48	1.42	-4.58%
USD/ Yen	81.19	83.13	-2.33%

*RBI Repo Rate at 6.75%

Sources – Internal & Bloomberg

Ritesh Jain

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

EQUITY OVERVIEW

Global geo-political events and domestic macro economic dynamics continue to dominate the equity market movements and outlook. Last week, all eyes were on Ben Bernanke's statement, post the FOMC meeting in the US. While, the FOMC statement repeated the US Fed's commitment to complete the QE2 program, speculation have already commenced that it is matter of time before US Fed embarks on a QE3 program. These large quantitative easing programs have significant impact and implications for global asset prices, currencies and economic growth outlook. While there is little political consensus in the US today to start a new program, we think that the low interest rate environment in the US is expected to continue for some time. Japan, post the natural calamity, is likely to follow loose monetary policy to boost construction and redevelopment. ECB has, on the other hand, already raised interest rates by 25 bps after 20 months of all time low rates. Though, the developed world is divided in policy actions, there seems to be no real worry on inflation and loose monetary policy continues.

On the other hand emerging markets, including India are seeing resurgence in inflation. Domestically, inflation has continued to surprise on the up side, with recent inflation being 200-300 bps higher than RBI and government's expectations set out last year. This has resulted in RBI turning hawkish, with an unexpected 50 bps hike in policy rates by RBI in their annual 2010-11 policy meeting this week. Domestic interest rates are already at elevated levels and further hike in rates would definitely stifle growth. We have already seen material (over 100 bps) downgrade from the 9% real GDP growth number forecasted by the government for FY11-12, in the budget few months ago. Moreover, the fiscal deficit is also expected to get out of hand since fuel prices are not being increased to reflect higher international crude prices and expectations are that even post elections ending in May 2011, increase

would only be marginal on account of higher inflation worry. All these macro economic indicators point to a scenario of decelerating economic growth and higher interest rates scenario persisting for sometime. The current environment is not conducive for equities and we have already seen the impact of the RBI policy action on the markets. More volatility and market corrections could follow.

While the short term picture for the economy, and hence the equity markets, looks challenging, the long-term structural trend remains positive. We do believe that over the next few years, Indian economy would continue to exhibit high economic growth & robust corporate earnings and hence the resultant equity market performance should be in line with nominal GDP growth. Therefore, investors are advised to see the recent market correction/consolidation as a short term phenomenon and not a lasting trend.

From our portfolio perspective, we continue to maintain a conservative stance. We continue to be overweight on stocks in the defensive sectors such as Pharmaceuticals, Software Services and Consumer products and underweight on the domestic cyclical sectors, which include Banking, Autos, Industrials, Infrastructure and Commodities. Cash in the portfolio is above 10% and mid-cap allocation is low at 16%. Our focus during the current earnings season is towards sector and stocks which can manage the inflation situation and exhibit growth in earnings. We would continue to maintain our conservative stance until we see visible signs of macro-economic situation improving.

Jayesh Gandhi

Lead Portfolio Manager Multi/Mid Cap Equities



Morgan Stanley A.C.E. Fund

(An open-ended Across Capitalisations Equity Fund)

Details as on April 29, 2011

Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
Banks		20.05%
	✓ ICICI Bank Limited	7.21%
	✓ HDFC Bank Limited	4.29%
	ING Vysya Bank Limited	2.26%
	Bank of Baroda	1.98%
	State Bank of India Limited	1.73%
	Dhanlaxmi Bank Limited	1.36%
	IndusInd Bank Limited	1.22%
Software		12.34%
	✓ Infosys Technologies Limited	6.94%
	✓ Tata Consultancy Services Limited	3.35%
	HCL Technologies Limited	1.03%
	Wipro Limited	1.02%
Petroleum Products		8.08%
	✓ Reliance Industries Limited	8.08%
Pharmaceuticals		7.83%
	✓ Cadila Healthcare Limited	3.14%
	Sun Pharmaceutical Industries Limited	1.95%
	Aurobindo Pharma Limited	1.84%
	Jubilant Life Sciences Limited	0.90%
Consumer Non Durables		6.87%
	✓ ITC Limited	6.87%
Auto		4.96%
	Mahindra and Mahindra Limited	1.49%
	Tata Motors Limited	1.47%
	Maruti Suzuki India Limited	1.02%
	TVS Motor Company Limited	0.98%
Ferrous Metals		4.73%
	✓ Jindal Steel and Power Limited	3.22%
	Usha Martin Limited	1.51%
Construction Project		3.36%
	Larsen and Toubro Limited	2.64%
	Voltas Limited	0.72%
Power		3.02%
	✓ Power Grid Corporation of India Limited	3.02%
Media and Entertainment		2.80%
	✓ Zee Entertainment Enterprises Limited	2.80%
Gas		2.71%
	GAIL India Limited	2.71%
Non - Ferrous Metals		2.45%
	Hindustan Zinc Limited	1.92%
	Hindalco Industries Limited	0.53%
Construction		2.33%
	IRB Infrastructure Developers Limited	1.68%
	Oberoi Realty Limited	0.65%
Transportation		1.36%
	Spice Jet Limited	1.36%
Industrial Products		1.03%
	Sintex Industries Limited	1.03%
Oil		0.99%
	Cairn India Limited	0.99%
Textile Products		0.97%
	Grasim Industries Limited	0.97%
Retailing		0.91%
	Shoppers Stop Limited	0.91%
Engineering Services		0.82%
	Va Tech Wabag Limited	0.82%

Industry Classification	Security Description	% of Total Net Assets
Finance		0.73%
	Infrastructure Development Finance Co. Ltd.	0.73%
Auto Ancillaries		0.11%
	Exide Industries Limited	0.11%
Cash and other assets		11.55%
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 14.849 per unit
Dividend 13.979 per unit

Expense Ratio:

2.31% of average daily net assets

Portfolio Turnover:

1.24

Volatility Measures:

(for trailing 3 year period)
Standard Deviation 9.41%
Beta 0.92
Sharpe Ratio¹ 0.17

Fund AUM:

₹ 393.26 crore

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

Performance (in %)

Period	Fund Returns	BSE 200
1 year	5.92	6.62
3 years	11.10	2.95
Since inception (April 03, 2008)	13.74	6.46

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 April 29, 2011)

₹ 2000 invested every month	Amount Invested (₹)	MSACE		Benchmark - BSE 200	
		Present Value (₹)	Returns XIRR %	Present Value (₹)	Returns XIRR %
2 years	48000	54439.51	12.71%	51906.05	7.78%
Since inception*	72000	104446.25	25.85%	94866.53	18.86%

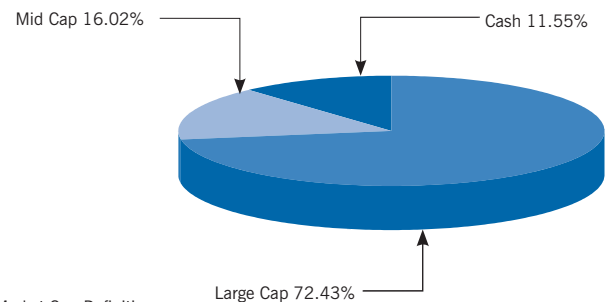
Past performance is not a guarantee of future returns. For SIP returns, monthly investment of equal amounts invested on the first business day of every month have been considered. *The 1st SIP date is considered as May 02, 2008.

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 Mutual Fund Rank* Open End Diversified Equity Schemes, 31 March, 2011. **Ranking Methodology:** *CRISIL Mutual Fund Rank "1" – The composite performance of Morgan Stanley A.C.E. Fund - Growth is "Very Good performance" in the Open End Diversified Equity Schemes Category, and ranks within the Top 10 percentile of the 69 schemes ranked in this category. The criteria used in computing the CRISIL Mutual Fund Rank are Superior Return Score based on NAVs over the 2-year period ended 31 March, 2011, Sectoral concentration, Company 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 Rank is no indication of the performance that can be expected from the scheme in future. Ranking Source: CRISIL FundServices, CRISIL Limited

Morgan Stanley Growth Fund

(An open-ended Equity Fund)

Details as on April 29, 2011

Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
Banks		20.64%
	✓ HDFC Bank Limited	7.60%
	✓ ICICI Bank Limited	5.88%
	✓ IndusInd Bank Limited	4.34%
	State Bank of India Limited	1.88%
	Bank of Baroda	0.94%
Software		13.79%
	✓ Infosys Technologies Limited	8.98%
	✓ Tata Consultancy Services Limited	4.81%
Consumer Non Durables		10.14%
	✓ ITC Limited	5.14%
	Ess Dee Aluminium Limited	1.94%
	Asian Paints Limited	1.33%
	Nestle India Limited	0.90%
	Shree Renuka Sugars Limited	0.83%
Pharmaceuticals		8.34%
	✓ Dr. Reddy's Laboratories Limited	3.91%
	✓ Glenmark Pharmaceutical Limited	3.07%
	Aurobindo Pharma Limited	1.36%
Petroleum Products		7.73%
	✓ Reliance Industries Limited	7.73%
Media and Entertainment		6.29%
	✓ Sun TV Network Limited	3.66%
	Television Eighteen India Limited	1.20%
	Deccan Chronicle Holdings Limited	0.54%
	DB Corp Limited	0.53%
	IBN18 Broadcast Limited	0.36%
Industrial Capital Goods		4.39%
	Thermax Limited	1.49%
	Crompton Greaves Limited	1.46%
	AIA Engineering Limited	1.44%
Auto		3.65%
	Mahindra and Mahindra Limited	2.24%
	Tata Motors Limited	1.40%
	Hero Honda Motors Limited	0.01%
Ferrous Metals		3.37%
	Jindal Steel and Power Limited	2.04%
	Usha Martin Limited	1.33%
Construction Project		3.24%
	Larsen and Toubro Limited	2.30%
	Gammon India Limited	0.94%
Power		2.32%
	KSK Energy Ventures Limited	1.76%
	Jaiprakash Power Ventures Limited	0.56%
Non - Ferrous Metals		2.14%
	Hindalco Industries Limited	1.51%
	Hindustan Zinc Limited	0.63%
Finance		1.67%
	Infrastructure Development Finance Company Limited	1.05%
	Manappuram General Finance and Leasing Limited	0.62%
Industrial Products		1.58%
	Cummins (India) Limited	1.58%
Gas		1.49%
	GAIL India Limited	1.49%
Construction		1.47%
	Oberoi Realty Limited	0.92%
	The Phoenix Mills Limited	0.55%
Auto Ancillaries		1.47%
	Motherson Sumi Systems Limited	1.47%
Fertilisers		1.43%
	Coromandel International Limited	1.43%
Trading		1.17%
	Redington India Limited	1.17%
Transportation		0.90%
	Spice Jet Limited	0.90%
Retailing		0.85%
	Pantaloon Retail India Limited	0.85%
Cash and other assets		1.93%
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 62.668 per unit

Dividend* 19.132 per unit

*option introduced on Jan. 19, 2009

Expense Ratio:

1.93% of average daily net assets

Portfolio Turnover:

0.49

Volatility Measures:

(for trailing 3 year period)

Standard Deviation 9.32%

Beta 0.93

Sharpe Ratio¹ -0.09

Fund AUM:

₹ 1615.60 crore

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

Performance (in %)

Period	Fund Returns	BSE 100
1 year	4.92	7.18
3 years	2.65	2.64
5 years	5.51	10.21
Since inception (18th February 1994)	13.19	10.13

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 April 29, 2011)

₹ 2000 invested every month	Amount Invested (₹)	MSGF		Benchmark - BSE 100	
		Present Value (₹)	Returns XIRR %	Present Value (₹)	Returns XIRR %
2 years	48000	55040.42	9.21%	55320.04	9.72%
Since inception*	54000	65764.56	17.99%	66188.21	18.60%

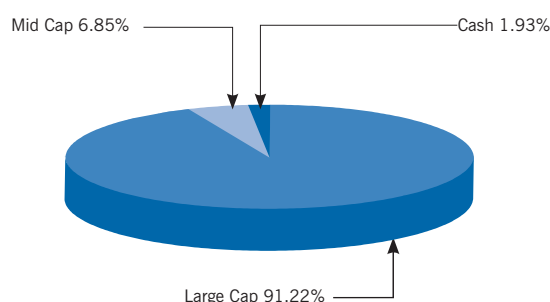
Past performance is not a guarantee of future returns. For SIP returns, monthly investment of equal amounts invested on the 1st business day of every month have been considered. *MSGF became open ended on January 19, 2009, and the first SIP date is considered as February 02, 2009.

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.

Morgan Stanley Short Term Bond Fund

(An open-ended Debt Fund)



Details as on April 29, 2011

Portfolio

Security Description	Rating	% of Total Net Assets
Money Market Instruments		91.18%
Aditya Birla Finance Ltd.	A1+	8.73%
Axis Bank Ltd.	P1+	8.69%
Oriental Bank of Commerce	P1+	8.65%
Andhra Bank	PR1+	8.62%
Indian Bank	F1+	8.62%
ING Vysya Bank Ltd.	P1+	4.42%
IDBI Bank Ltd.	P1+	4.41%
UCO Bank	P1+	4.41%
Kotak Mahindra Prime Ltd.	P1+	4.40%
Bank of Maharashtra	P1+	4.39%
State Bank of Travancore	P1+	4.33%
Bank of India	P1+	4.31%
Vijaya Bank	P1+	4.31%
State Bank of Patiala	P1+	4.31%
Union Bank of India	P1+	4.31%
State Bank of Patiala	A1+	4.29%
Corporate Debt		4.94%
Housing Development Finance Corporation	AAA	4.94%
Cash & Current Assets		3.88%
Grand Total		100.00%

Performance (in %)

Period	Regular Plan	Institutional Plus Plan	Crisil Short Term Bond Fund Index
1 year	6.50	6.76	4.99
Since inception (May 26, 2009)	5.77	6.11	4.87

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:	10.1161
Monthly Dividend (Payout and Reinvestment):	10.1604
Growth:	11.2111
Regular Plan	
Weekly Dividend	
Reinvestment:	10.1013
Monthly Dividend (Payout and Reinvestment):	10.1551
Growth:	11.1406

Expense Ratio:

Institutional Plus Plan	0.60%
Regular Plan	0.90%

Average Maturity: 3.92 months

Modified Duration: 0.30 years

Yield to Maturity: 9.25%

Rating:

Credit risk rating mFAAA by ICRA*

Fund AUM:

₹ 112.25 crore

Rating Profile

Rating Category	
AAA	96.12%
Cash & Current Assets	3.88%
Grand Total	100.00%

Asset Allocation

Asset Class	
Money Market Instruments	91.18%
Corporate Debt	4.94%
Cash & Current Assets	3.88%
Grand Total	100.00%

Dividend History

Plan/Frequency	Record Date	Non-Individuals Per Unit (₹)	Individuals Per Unit (₹)	Ex Dividend NAV (₹)
Regular Plan-Monthly Dividend	Apr. 29, 2011	0.0631	0.0676	10.0784
Regular Plan-Monthly Dividend	Mar. 25, 2011	0.0502	0.0539	10.054
Regular Plan-Monthly Dividend	Feb. 25, 2011	0.0440	0.0472	10.0505

Note: Face Value ₹ 10 per unit.

CRISIL Mutual Fund Rank* Open End Debt Short Schemes, 31 March, 2011. **Ranking Methodology:** *CRISIL Mutual Fund Rank "1" – The composite performance of Morgan Stanley Short Term Bond Fund - Regular - Growth is "Very Good performance" in the Open End Debt Short Schemes Category, and ranks within the Top 10 percentile of the 29 schemes ranked in this category. The criteria used in computing the CRISIL Mutual Fund Rank are Superior Return Score based on NAVs over the 1-year period ended 31 March, 2011, Sectoral concentration, Company 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 Rank is no indication of the performance that can be expected from the scheme in future. Ranking Source: CRISIL FundServices, CRISIL Limited

Morgan Stanley Active Bond Fund

(An open-ended Debt Fund)

Details as on April 29, 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	3.68	4.54
Since inception (May 28, 2009)	2.22	4.63

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):	10.4331
Growth:	10.4331
Expense Ratio:	
Institutional Plus Plan	1.20%
Regular Plan	1.75%

Average Maturity: 0.09 months

Modified Duration: 0.008 years

Yield to Maturity: 6.16%

Rating:

Credit risk rating mFAAA by ICRA*

Fund AUM:

₹ 0.51 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	<ul style="list-style-type: none"> Growth Dividend Option - Reinvestment and Payout 	<ul style="list-style-type: none"> Growth Dividend Option - Reinvestment and Payout 	Institutional Plus Plan <ul style="list-style-type: none"> Growth Option Dividend Option - Weekly Reinvestment - Monthly Reinvestment and Payout Regular Plan <ul style="list-style-type: none"> Growth Option Dividend Option - Weekly Reinvestment - Monthly Reinvestment and Payout 	Institutional Plus Plan <ul style="list-style-type: none"> Growth Option Dividend Option - Quarterly Reinvestment and Payout Regular Plan <ul style="list-style-type: none"> 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 the 100th stock in BSE 100, as on the date of investment shall qualify as Large Cap Company.

Morgan Stanley Mutual Fund Branch Offices

• Ahmedabad	079 2644 9132	• Bangalore	080 4180 0702	• Chandigarh	0172 4665 295	• Chennai	044 2830 2091
• Delhi	011 6624 9133	• Hyderabad	040 4002 4168	• Kolkata	033 3984 5315	• Mumbai	022 6118 2929
• Pune	020 6500 8349						

Registered Office: Morgan Stanley Investment Management Pvt. Ltd., 19th Floor, One Indiabulls Centre, Tower 2, Jupiter Mills Compound, Elphinstone Road, Mumbai 400 013. Toll free 1800 425 1313, Non-toll-free 040 2342 8757

Note: SIP does not guarantee protection against loss in a declining market. Applicable taxes, exit load, if any have not been considered in calculations and the same, if taken into consideration, may reduce the returns on your actual investments. Please consult your legal/tax/investment advisor before investing.

Statutory Details: Morgan Stanley Mutual Fund has been set up as a Trust under Indian Trusts Act, 1882. **Sponsor:** Morgan Stanley. **Trustee:** Board of Trustees. **Investment Manager:** Morgan Stanley Investment Management Pvt. Ltd. **Risk Factors:** All mutual funds and securities investments are subject to market risks and there can be no assurance that the objectives of the Scheme will be achieved. As with any securities investment, the NAV of the units issued under the Scheme may go up or down, depending upon the factors and forces affecting the capital markets. Past performance of the Sponsors/Investment Manager/Mutual Fund does not, in any manner, indicate the future performance of the Scheme, and may not necessarily provide a basis of comparison with other investments. There is no assurance or guarantee to the unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. Investors in the Scheme are not being offered any guaranteed/assured returns. **Morgan Stanley A.C.E. Fund, Morgan Stanley Growth Fund, Morgan Stanley Active Bond Fund and Morgan Stanley Short Term Bond Fund are only the names of the schemes and do not in any manner indicate either the quality of the schemes, its future prospects or returns.** The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. The Sponsor is not responsible or liable for any loss resulting from the operations of the Scheme beyond their initial contribution of ₹ 5 lac towards setting up of the Mutual Fund and such other accretions and additions to the corpus. **Investors should read the Statement of Additional Information and Scheme Information Document/Key Information Memorandum (available at Investor Service Centres, Distributors, and on the Mutual Fund website www.morganstanley.com/indiamf), carefully before investing.**