

# Fact Sheet

May 2010



## FIXED INCOME OVERVIEW

As expected, the Reserve Bank of India raised the Cash Reserve Ratio, Repo and Reverse Repo rates by 25bps each to 6%, 5.25% and 3.75% respectively in the Quarterly Monetary Policy review. A majority of the market was more aggressive with their expectation of the CRR hike, judging by the subsequent rally in bond markets and rise in equities post policy announcement. Apart from raising rates, the RBI also announced a number of monetary measures designed to boost the infrastructure sector. The Central Bank still seems to be concerned about the durability of the economic recovery and the prospects for consumer spending, as is apparent from the statement that the focus of policy has shifted to “anchoring inflation expectations”, leading to rate normalization over a period of time.

Following the 16.7% growth last month, industrial production continued to post robust trends, up 15.1% YoY in Feb. Similar to past trends, the double-digit growth is on the back of a low base effect, and measures, which have resulted in consumption and investment growth holding up. On a sectoral basis, trends are due to broad-based growth in manufacturing and a healthy growth in mining.

The headline inflation rate (WPI) remained largely steady at 9.90% in March, compared to 9.89% in February and 9.44% (revised upwards from 8.56% earlier) in January 2010. While food inflation decelerated to 15.6% in March from 17.7% in February on moderating food prices in lieu of winter crop harvest hitting the market, the non-food inflation accelerated further to 7.2% in March from 6.2% in February, above the Reserve Bank of India's (RBI) comfort zone of 5%. With growth showing a strong turnaround, domestic demand pressures are building in the economy without a commensurate increase in capacity creation. Meanwhile, as per the first forecast for the 2010 monsoon season (June to September) released by the IMD, rainfall for the country as a whole is likely to be normal.

On the trade front, the export growth (in dollar terms) accelerated sharply by 34.8% YoY in February compared with 11.5% YoY last month on the back of improving global environment. On a seasonally adjusted sequential basis, exports (in dollar terms) jumped 12.3% MoM (vs. +0.1% MoM in Jan-10). Imports also continued to accelerate on strong domestic demand and low base effect. In Dollar terms, it accelerated to 66.4% YoY in February compared with 35.5% in the previous month.

The RBI kick started the scheduled Government borrowing for the year. The month saw around INR 490 Billion of fresh issuance into the market, which included the newly launched ten-year benchmark bond. Abundant liquidity and statutory demand from banking sector led to the aggressive cut offs in the primary auctions. The sovereign curve remained range bound after testing the higher trajectory specially the new benchmark bond that started quoting at 25bps premium over the erstwhile 10-year bond. The credit curve outperformed the sovereign curve with spreads coming off across the curve.

### Portfolio review for April '10

The market remained range bound during the course of the month with the new 10 year benchmark quoting at around 7.75% mark. In the short-term plan, we

continue to rely on accrual income while maintaining moderate duration and in the active duration plan, anticipating higher yield curve we maintained cash.

### Expectations for May '10

The sovereign market is likely to remain subdued with around INR 650 Billion of fresh supply scheduled to hit market. Systemic liquidity is likely to remain balanced. The portfolios duration in the bond plan is likely to be very low and 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
	30/04/10	31/03/10	31/03/10	Monthly	Since March '10
364 Day T-bill (Primary)	5.09%	5.14%	5.14%	-0.05%	-0.05%
5-year Gilt Benchmark	7.44%	7.53%	7.53%	-0.09%	-0.09%
10-year Gilt Benchmark	7.75%	7.83%	7.83%	-0.08%	-0.08%
30-year Gilt Benchmark	8.45%	8.80%	8.80%	-0.35%	-0.35%
91 Day Manufacturing CP(P1+)	4.70%	5.75%	5.75%	-1.05%	-1.05%
91 day Bank CD	4.05%	5.15%	9.75%	-1.10%	-5.70%
1-yr AAA Spreads	1.30%	1.55%	1.55%	-0.25%	-0.25%
5-yr AAA Spreads	0.70%	0.90%	0.90%	-0.20%	-0.20%
5-yr OIS	6.83%	6.88%	6.88%	-0.05%	-0.05%
CRR	6.00%	5.75%	5.75%	0.25%	0.25%
RBI LAF- Reverse Repo Rate*	3.75%	3.50%	3.50%	0.25%	0.25%
Foreign Exchange Reserve (\$ bn)	279.48	277.04	277.04	2.43	2.43
Nymex Crude	86.15	83.76	83.76	2.39	2.39
US Fed Funds Rate	0.25%	0.25%	0.25%	0.00%	0.00%
US 10-yr Gilt	3.65%	3.83%	3.83%	-0.17%	-0.17%
INR/USD	44.37	44.92	44.92	-1.23%	-1.23%
USD/Euro	1.33	1.35	1.35	1.60%	1.60%
USD/Yen	93.85	93.47	93.47	0.41%	0.41%

\*RBI Repo Rate at 5.25%

Sources – Internal & Bloomberg

### Ritesh Jain

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

## EQUITY OVERVIEW

Indian equity markets held up pretty well, amidst significant decline in the Chinese and European markets, during an eventful April 2010. In fact, year to date, Indian equities have emerged as one of the better performing amongst its Asian and Emerging Market peers.

The recent S&P's downgrade of sovereign debt paper of Greece, Portugal and Spain brought back concerns regarding the debt/credit crisis looming in the OECD countries. The crisis in Euro zone could pose a risk to financial/credit market stability and economic recovery. From India's point of view, the crisis brings back concerns of slow down in foreign investment flows, which are so very critical for our economic growth engine.

The other area of risk is the incremental tightening seen in China, particularly in the real estate sector and the fallout on commodities, metal prices and global economic growth. Since large demand for commodities and metals is driven by Chinese growth and consumption, investors are now worried about arbitrary policies that could materially slow down growth in Chinese economy, adversely impacting global commodity prices and growth outlook.

In India, the much awaited quarterly monetary policy of RBI was announced with a small, 25 bps increase in policy rates. The key message coming out is that the central bank would follow a policy of small rate hikes frequently rather than a smaller number of large moves, ensuring strong economic growth. While inflation is and remains a concern, the RBI is willing to move policy rates slowly in baby steps, as articulated by the RBI Governor. The significant bet here is that inflation would come under control in the second half of 2010.

From India's domestic policy point of view, the key risk is inflation translating from high commodity prices, particularly metals, food grains and crude oil. Higher level of global commodity prices not only has significant impact on India's inflation numbers, but also has a corresponding negative impact on trade and fiscal deficit. The trade deficit worsens because Indian economy continues to be a large importer of bulk commodities such as crude oil, edible oil, coal, etc. Fiscal deficit is strained particularly on account of high crude oil prices as the consumer prices for petrol, diesel and fertilizers are capped and difference between higher import prices and fixed domestic prices has to be borne by the government, leading to large subsidies. It is imperative that India implements reforms in the petroleum product pricing sooner rather than later, ending the vicious cycle which has been affecting the country's fiscal situation, year after year.

On portfolio front, the significant addition we made was in our Banking sector holding, buying PSU Banks, after being underweight for more than 6 months. Overall, our overweight sectors continue to remain consumer products, pharmaceuticals and software services. The significant underweights are oil and gas, materials/commodities and telecom. In the near term we remain cautious and watchful of the economic developments, particularly related to Greece and China. The medium to long term outlook for Indian equities continues to remain positive.

### 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 30, 2010

## Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
<b>Banks</b>		<b>19.40%</b>
	✓ ICICI Bank Limited	5.20%
	✓ HDFC Bank Limited	3.75%
	✓ Andhra Bank	1.96%
	State Bank of India Limited	1.85%
	Axis Bank Limited	1.79%
	IDBI Bank Limited	1.67%
	Yes Bank Limited	1.64%
	IndusInd Bank Limited	1.54%
<b>Software</b>		<b>11.71%</b>
	✓ Infosys Technologies Limited	5.15%
	Tata Consultancy Services Limited	1.87%
	Polaris Software Lab Limited	1.77%
	Wipro Limited	1.11%
	Mphasis Limited	1.07%
	Oracle Financial Services Software Limited	0.74%
<b>Industrial Capital Goods</b>		<b>6.29%</b>
	✓ Sterlite Technologies Limited	2.36%
	✓ Bharat Heavy Electricals Limited	2.25%
	Crompton Greaves Limited	1.68%
<b>Consumer Non Durables</b>		<b>6.03%</b>
	✓ ITC Limited	2.66%
	Radico Khaitan Limited	1.54%
	Emami Limited	1.03%
	Marico Limited	0.80%
<b>Pharmaceuticals</b>		<b>5.36%</b>
	✓ Cadila Healthcare Limited	2.08%
	Aurobindo Pharma Limited	1.67%
	Opto Circuits India Limited	1.61%
<b>Petroleum Products</b>		<b>4.89%</b>
	✓ Reliance Industries Limited	4.89%
<b>Power</b>		<b>4.86%</b>
	GVK Power and Infrastructure Limited	1.57%
	KEC International Limited	1.30%
	NTPC Limited	1.21%
	Torrent Power Limited	0.78%
<b>Ferrous Metals</b>		<b>4.63%</b>
	Jindal Steel and Power Limited	1.76%
	Maharashtra Seamless Limited	1.50%
	Usha Martin Limited	1.37%
<b>Finance</b>		<b>3.45%</b>
	Housing Development Finance Corporation Limited	1.38%
	Manappuram General Finance and Leasing Limited	1.11%
	Infrastructure Development Finance Company Limited	0.96%
<b>Gas</b>		<b>3.13%</b>
	Gujarat State Petronet Limited	1.73%
	GAIL India Limited	1.40%
<b>Transportation</b>		<b>2.89%</b>
	IRB Infrastructure Developers Limited	1.83%
	The Great Eastern Shipping Co. Limited	1.06%
<b>Construction</b>		<b>2.78%</b>
	Sobha Developers Limited	1.45%
	The Phoenix Mills Limited	1.24%
	Emami Infrastructure Limited	0.09%
<b>Media &amp; Entertainment</b>		<b>2.58%</b>
	Deccan Chronicle Holdings Limited	1.41%
	DQ Entertainment International Limited	1.17%
<b>Cement</b>		<b>2.22%</b>
	Shree Cement Limited	1.14%
	Grasim Industries Limited	1.08%

Industry Classification	Security Description	% of Total Net Assets
<b>Non - Ferrous Metals</b>		<b>2.20%</b>
	Hindalco Industries Limited	1.15%
	Hindustan Zinc Limited	1.05%
<b>Retailing</b>		<b>2.13%</b>
	✓ Shoppers Stop Limited	2.13%
<b>Consumer Durables</b>		<b>1.81%</b>
	Bajaj Electricals Limited	1.81%
<b>Auto Ancillaries</b>		<b>1.65%</b>
	Motherson Sumi Systems Limited	1.65%
<b>Construction Project</b>		<b>1.33%</b>
	Voltas Limited	1.33%
<b>Auto</b>		<b>0.96%</b>
	Mahindra and Mahindra Limited	0.96%
<b>Industrial Products</b>		<b>0.90%</b>
	Sintex Industries Limited	0.90%
<b>Cash and other assets</b>		<b>8.80%</b>
<b>Grand Total</b>		<b>100.00%</b>

## Fund Features:

### Asset Allocation:

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

### Expense Ratio:

2.36% of average daily net assets

### Portfolio Turnover:

1.69

### NAV:

Growth Rs. 14.068 per unit  
Dividend Rs. 14.068 per unit

### Fund AUM:

Rs. 253.08 crore

## Performance (in %)

Period	Fund Returns	BSE 200
1 Year	96.04	66.51
Since Inception (April 03, 2008)	17.90	6.68

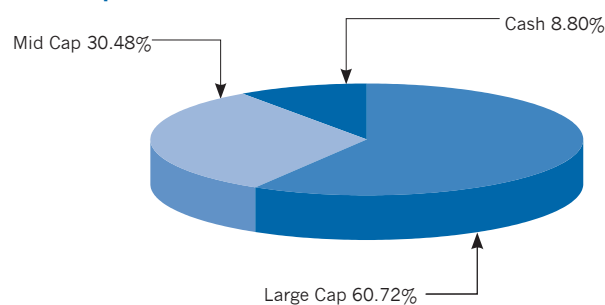
Past performance is not a guarantee of future returns. Returns are computed using NAV of Growth Option. Since Inception returns are calculated on Rs. 10/- invested at inception.

## SIP Performance - Growth option (as on April 30, 2010)

Rs. 2000 invested every month	Amount Invested (Rs.)	MSACE		BSE 200	
		Present Value (Rs.)	Returns XIRR %	Present Value (Rs.)	Returns XIRR %
1 year	24000	30405.47	53.54	27599.25	29.25
Since inception*	48000	76453.73	52.42	66699.70	35.42

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.

## Market Cap Classification



Market Cap Definition:

Mid Cap < Rs. 5000 crore

Large Cap >= Rs. 5000 crore

# Morgan Stanley Growth Fund

(An open-ended Equity Fund)

Details as on April 30, 2010

## Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
<b>Banks</b>		<b>19.66%</b>
	✓ HDFC Bank Limited	8.77%
	✓ IndusInd Bank Limited	2.96%
	ICICI Bank Limited	2.24%
	Yes Bank Limited	2.03%
	Bank of Baroda	1.90%
	State Bank of India Limited	1.76%
<b>Consumer Non Durables</b>		<b>9.74%</b>
	✓ ITC Limited	3.47%
	Nestle India Limited	1.73%
	Mcleod Russel India Limited	1.57%
	Shree Renuka Sugars Limited	1.22%
	KS Oils Limited	0.97%
	Asian Paints Limited	0.53%
	Balrampur Chini Mills Limited	0.25%
<b>Auto</b>		<b>9.02%</b>
	✓ Tata Motors Limited	5.80%
	Ashok Leyland Limited	1.66%
	Hero Honda Motors Limited	1.56%
<b>Software</b>		<b>8.74%</b>
	✓ Infosys Technologies Limited	5.44%
	Tata Consultancy Services Limited	2.11%
	Wipro Limited	1.19%
<b>Pharmaceuticals</b>		<b>8.55%</b>
	✓ Dr. Reddy's Laboratories Limited	4.03%
	Glenmark Pharmaceutical Limited	2.71%
	Aurobindo Pharma Limited	1.81%
<b>Construction Project</b>		<b>7.48%</b>
	Larsen and Toubro Limited	2.54%
	Gammon India Limited	1.99%
	GMR Infrastructure Limited	1.63%
	Hindustan Construction Co. Limited	1.32%
<b>Media &amp; Entertainment</b>		<b>6.59%</b>
	✓ Sun TV Network Limited	3.77%
	✓ Deccan Chronicle Holdings Limited	2.82%
<b>Power</b>		<b>6.30%</b>
	KSK Energy Ventures Limited	2.63%
	Torrent Power Limited	1.30%
	Reliance Infrastructure Limited	1.27%
	NHPC Limited	1.10%
<b>Petroleum Products</b>		<b>5.21%</b>
	✓ Reliance Industries Limited	5.21%
<b>Non - Ferrous Metals</b>		<b>4.89%</b>
	Hindalco Industries Limited	2.78%
	Hindustan Zinc Limited	2.11%
<b>Industrial Capital Goods</b>		<b>3.64%</b>
	✓ Bharat Heavy Electricals Limited	3.23%
	Pipavav Shipyard Limited	0.41%
<b>Gas</b>		<b>2.19%</b>
	GAIL India Limited	1.34%
	Gujarat State Petronet Limited	0.85%
<b>Ferrous Metals</b>		<b>1.96%</b>
	Usha Martin Limited	1.96%
<b>Industrial Products</b>		<b>1.70%</b>
	Ess Dee Aluminium Limited	1.70%
<b>Finance</b>		<b>1.48%</b>
	Rural Electrification Corporation Limited	1.48%
<b>Construction</b>		<b>0.89%</b>
	The Phoenix Mills Limited	0.89%
<b>Cash and other assets</b>		<b>1.96%</b>
<b>Grand Total</b>		<b>100.00%</b>

## Fund Features:

### Asset Allocation:

Equity and Equity related instruments of companies having large market capitalization<sup>1</sup>: 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 Rs. 60.272 per unit  
Dividend\* Rs. 19.640 per unit  
\*option introduced on Jan. 19, 2009

### Expense Ratio:

1.90% of average daily net assets

### Portfolio Turnover:

0.93

### Volatility Measures:

(for trailing 3 year period)  
Standard Deviation 9.96%  
Beta 0.91  
Sharpe Ratio 0.01

### Fund AUM:

Rs. 1963.43 crore

<sup>1</sup> Risk Free rate is based on 3 month T-Bill rate

## Performance (in %)

Period	Fund Returns*	BSE 100
1 year	67.18	61.60
Last 3 years	5.98	10.07
Last 5 years	20.00	23.13
Since inception (18th February 1994)	13.78	10.36

Past performance is not a guarantee of future returns. \*Performance of the fund (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 30, 2010)

Rs. 2000 invested every month	MSGF		BSE 100		
	Amount Invested (Rs.)	Present Value (Rs.)	Returns XIRR %	Present Value (Rs.)	Returns XIRR %
1 year	24000	28203.25	34.37	27233.92	26.18
Since inception*	30000	40442.98	54.43	39309.43	48.40

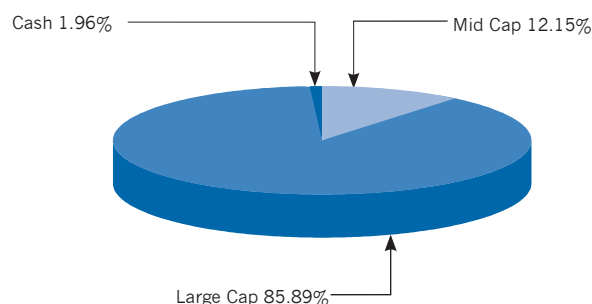
Past performance is not a guarantee of future returns. For SIP returns, monthly investment of equal amounts invested on the first business day of every month have been considered. \*MSGF became open ended on January 19, 2009, and the 1st SIP date is considered as February 02, 2009.

## Dividend History

Record Date	Date of Declaration	Dividend per unit (Rs.)	Ex-Dividend NAV Date	Ex-Dividend NAV per unit (Rs.)
July 09, 1999	June 23, 1999	0.75	June 25, 1999	12.83
April 29, 2000	April 18, 2000	0.75	April 20, 2000	16.60
June 11, 2001	June 4, 2001	1.00	June 06, 2001	10.72
May 13, 2004	April 28, 2004	1.50	April 29, 2004	21.82
October 27, 2006	October 13, 2006	2.00	October 16, 2006	46.88

Note: Face Value Rs. 10 per unit.

## Market Cap Classification<sup>#</sup>



<sup>#</sup>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 30, 2010

## Portfolio

Security Description	Rating	% of Total Net Assets
<b>Money Market Instruments</b>		<b>70.78%</b>
Kotak Mahindra Prime	P1+	8.09%
Reliance Capital Ltd.	A1+	8.08%
United Bank of India	A1+	4.29%
State Bank of Hyderabad	P1+	4.26%
Yes Bank	A1+	4.26%
Kotak Mahindra Bank	P1+	4.26%
Vijaya Bank	PR1+	4.26%
Oriental Bank of Commerce	P1+	4.24%
ICICI Bank	A1+	4.22%
Tata Capital Ltd.	A1+	4.20%
Andhra Bank	P1+	4.20%
Indian Oil Corporation	P1+	4.20%
Axis Bank	P1+	4.11%
Canara Bank	P1+	4.06%
Federal Bank	PR1+	4.05%
<b>PSU Bonds</b>		<b>4.55%</b>
Power Finance Corporation	AAA	4.55%
<b>Corporate Debt</b>		<b>12.71%</b>
Infrastructure Development Finance Corporation	AAA	8.39%
Housing Development Finance Corporation	AAA	4.32%
<b>Cash &amp; Current Assets</b>		<b>11.96%</b>
<b>Total Net Asset</b>		<b>100.00%</b>

## Rating Profile

Rating Category	
AAA	88.04%
Cash & Current Assets	11.96%
<b>Grand Total</b>	<b>100.00%</b>

## Asset Allocation

Asset Class	
Money Market Instruments	70.78%
Corporate Debt	12.71%
PSU Bonds	4.55%
Cash & Current Assets	11.96%
<b>Grand Total</b>	<b>100.00%</b>

# Morgan Stanley Active Bond Fund

(An open-ended Debt Fund)

Details as on April 30, 2010

## Portfolio

Security Description	Rating	% of Total Net Assets
Cash & Current Assets		100.00%
<b>Grand Total</b>		<b>100.00%</b>

## Rating Profile

Rating Category	
Cash & Current Assets	100.00%
<b>Grand Total</b>	<b>100.00%</b>

## Asset Allocation

Asset Class	
Cash & Current Assets	100.00%
<b>Grand Total</b>	<b>100.00%</b>

## Performance (in %)

Plan	Fund Returns* (since inception May 28, 2009)	Crisil Composite Bond Fund Index
Regular Plan	0.60	4.36

Past performance is not a guarantee of future returns. \*Absolute returns of the growth option are computed. Since Inception returns are calculated on Rs. 10/- invested at inception.

## Performance (in %)

Plan	Fund Returns* (since inception May 26, 2009)	Crisil Short Term Bond Fund Index
Regular Plan	4.65	4.40
Institutional Plus Plan	5.00	4.40

Past performance is not a guarantee of future returns. \*Absolute returns of the growth option are computed. Since Inception returns are calculated on Rs. 10/- invested at inception.

## Fund Features:

### Plans/Options and NAV (Rs.):

Institutional Plus Plan	
Weekly Dividend	
Reinvestment:	10.0519
Monthly Dividend (Payout and Reinvestment):	10.0000
Growth:	10,5001

**Average Maturity:** 5.81 months

**Modified Duration:** 0.46 years

**Yield to Maturity:** 5.69%

### Rating:

Credit risk rating mfAAA by ICRA<sup>#</sup>

### Regular Plan

Monthly Dividend (Payout and Reinvestment):	10.0680
Growth:	10.4653

### Fund AUM:

Rs. 116.48 crore

### Expense Ratio:

Institutional Plus Plan	0.60%
Regular Plan	0.90%

## Dividend History

Plan/Frequency	Record Date	Non-Individuals Per Unit (Rs.)	Individuals Per Unit (Rs.)	Ex Dividend NAV (Rs.)
Regular Plan-Monthly Dividend	Apr. 30, 2010	0.0335	0.0360	10.0269
Regular Plan-Monthly Dividend	Mar. 26, 2010	0.0277	0.0298	10.0138
Regular Plan-Monthly Dividend	Feb. 26, 2010	0.0313	0.0336	10.0099

Note: Face Value Rs. 10 per unit.

## Fund Features:

### Plans/Options and NAV (Rs.):

Institutional Plus Plan	
Quarterly Dividend (Payout and Reinvestment):	10.0000
Growth:	10.0000

**Average Maturity:** 0.09 months

**Modified Duration:** 0.008 years

**Yield to Maturity:** 3.45%

### Rating:

Credit risk rating mfAAA by ICRA<sup>#</sup>

### Regular Plan

Quarterly Dividend (Payout and Reinvestment):	10.0598
Growth:	10.0598

### Fund AUM:

Rs. 1.25 crore

### Expense Ratio:

Institutional Plus Plan	1.20%
Regular Plan	1.75%

<sup>#</sup>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
<b>Nature of the Fund</b>	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
<b>Date of Allotment</b>	April 03, 2008	February 18, 1994	May 26, 2009	May 28, 2009
<b>Fund Manager</b>	Jayesh Gandhi	Sridhar Sivaram Amay Hattangadi	Ritesh Jain	Ritesh Jain
<b>Investment Objective</b>	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.
<b>Benchmark</b>	BSE 200	BSE 100	CRISIL Short-Term Bond Fund Index	CRISIL Composite Bond Fund Index
<b>Investment Plan/Options</b>	<ul style="list-style-type: none"> <li>Growth</li> <li>Dividend Option</li> <li>- Reinvestment and Payout</li> </ul>	<ul style="list-style-type: none"> <li>Growth</li> <li>Dividend Option</li> <li>- Reinvestment and Payout</li> </ul>	Institutional Plus Plan <ul style="list-style-type: none"> <li>Growth Option</li> <li>Dividend Option</li> <li>- Weekly Reinvestment</li> <li>- Monthly Reinvestment and Payout</li> </ul> Regular Plan <ul style="list-style-type: none"> <li>Growth Option</li> <li>Dividend Option</li> <li>- Monthly Reinvestment and Payout</li> </ul>	Institutional Plus Plan <ul style="list-style-type: none"> <li>Growth Option</li> <li>Dividend Option</li> <li>- Quarterly Reinvestment and Payout</li> </ul> Regular Plan <ul style="list-style-type: none"> <li>Growth Option</li> <li>Dividend Option</li> <li>- Quarterly Reinvestment and Payout</li> </ul>
<b>Minimum Investment Amount</b>	Lumpsum: Rs. 5000 and in multiples of Re. 1/- thereafter SIP: Rs. 1000/- via minimum 6 installments Group SIP: Rs. 250/- via minimum 6 installments	Lumpsum: Rs. 5000 and in multiples of Re. 1/- thereafter SIP: Rs. 1000/- via minimum 6 installments Group SIP: Rs. 250/- via minimum 6 installments	Lumpsum: Regular Plan - Rs. 5000/- and multiples of Re. 1/- thereafter Institutional Plus Plan - Rs. 50 lacs and in multiples of Re. 1/- thereafter SIP: (Regular Plan Only) Rs. 1000/- via minimum 6 installments Group SIP: Rs. 250/- via minimum 6 installments	Lumpsum: Regular Plan - Rs. 5000/- plus in multiples of Re. 1/- thereafter Institutional Plus Plan - Rs. 50 lacs plus in multiples of Re. 1/- thereafter SIP: (Regular Plan Only) Rs. 1000/- via minimum 6 installments Group SIP: Rs. 250/- via minimum 6 installments
<b>Additional Investment</b>	Rs. 1000 and in multiples of Re. 1/- thereafter	Rs. 1000 and in multiples of Re. 1/- thereafter	Regular Plan - Rs. 1000/- and in multiples of Re. 1/- thereafter Institutional Plus Plan- Rs. 1 lac and in multiples of Re. 1/- thereafter	Regular Plan - Rs. 1000/- and in multiples of Re. 1/- thereafter Institutional Plus Plan- Rs. 1 lac and in multiples of Re. 1/- thereafter
<b>Minimum Repurchase amount</b>	Rs. 1000/- and in multiples of Re. 1/- thereafter	Rs. 1000/- and in multiples of Re. 1/- thereafter	Rs. 1000/- and in multiples of Re. 1/- thereafter	Rs. 1000/- and in multiples of Re. 1/- thereafter
<b>SIP/STP Dates</b>	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
<b>Entry Load</b>	Nil.	Nil.	Nil.	Nil.
<b>Exit Load</b>	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

• <b>Ahmedabad</b> 079 2644 9132	• <b>Bangalore</b> 080 4180 0702	• <b>Chandigarh</b> 0172 4665 295	• <b>Chennai</b> 044 2830 2091
• <b>Delhi</b> 011 6624 9133	• <b>Hyderabad</b> 040 4002 4168	• <b>Kolkata</b> 033 3984 5315	• <b>Mumbai</b> 022 2209 7130
• <b>Pune</b> 020 6500 8349			

**Registered Office:** Morgan Stanley Investment Management Pvt. Ltd., Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001; Tel 91 22 2209 6600.

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 Rs. 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](http://www.morganstanley.com/indiamf)), carefully before investing.**