

## UNAUDITED HALF-YEARLY FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2009 AND PORTFOLIO AS ON THAT DATE. (Pursuant to the provisions of Regulation 59 and 59A of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996).

### Portfolio Statement of Morgan Stanley Growth Fund (an open-ended equity scheme) as of March 31, 2009

Sr. No.	Name of the Instrument	Industry @	Quantity	Mkt. Value (Rs. in Lakhs)	% to NAV
<b>INDIAN SECURITIES</b>					
<b>Equity &amp; Equity Related</b>					
<b>Listed/Awaiting listing on Stock Exchanges</b>					
1	HDFC Bank Limited	Banks	1,339,418	13,037.89	9.46%
2	Bharat Heavy Electricals Limited	Industrial Capital Goods	808,366	12,210.77	8.86%
3	Infosys Technologies Limited	Software	885,736	11,726.26	8.51%
4	Reliance Industries Limited	Petroleum Products	626,100	9,546.46	6.93%
5	Hindustan Unilever Limited	Diversified	3,774,500	8,964.44	6.50%
6	State Bank of India	Banks	812,000	8,664.85	6.29%
7	ITC Limited	Consumer Non Durables	3,282,000	6,066.78	4.40%
8	Hero Honda Motors Limited	Auto	532,750	5,706.55	4.14%
9	Bharti Airtel Limited	Telecom - Services	903,678	5,654.77	4.10%
10	Nestle India Limited	Consumer Non Durables	322,808	5,024.18	3.64%
11	Larsen & Toubro Limited	Construction Project	618,000	4,149.25	3.00%
12	Bank of Baroda	Banks	1,513,000	3,545.72	2.57%
13	Bank of India	Banks	1,593,500	3,496.14	2.54%
14	ICICI Bank Limited	Banks	961,200	3,198.87	2.32%
15	Axis Bank Limited	Banks	724,500	3,006.31	2.18%
16	Hindustan Petroleum Corporation Limited	Petroleum Products	1,068,593	2,877.19	2.09%
17	Jaiprakash Associates Limited	Cement	3,411,000	2,868.65	2.08%
18	United Phosphorus Limited	Pesticides	2,896,400	2,845.71	2.06%
19	Maruti Suzuki India Limited	Auto	363,800	2,837.09	2.06%
20	Ambuja Cements Limited	Cement	3,952,000	2,790.11	2.02%
21	Geodesic Limited	Software	2,905,813	1,823.40	1.32%
22	Balrampur Chini Mills Limited	Consumer Non Durables	3,357,500	1,772.76	1.29%
23	Deccan Chronicle Holdings Limited	Media & Entertainment	3,675,000	1,730.93	1.26%
24	Union Bank of India	Banks	1,050,000	1,541.93	1.12%
25	The India Cements Limited	Cement	1,386,447	1,469.63	1.07%
26	Jyoti Structures Limited	Power	1,972,063	1,078.72	0.78%
27	The Phoenix Mills Limited	Construction	1,543,524	1,047.28	0.76%
28	Ess Dee Aluminium Limited	Industrial Products	678,139	1,019.24	0.74%
29	Television Eighteen India Limited	Media & Entertainment	1,073,700	751.59	0.55%
30	Madhucon Projects Limited	Construction	746,371	426.92	0.31%
	<b>Total</b>		<b>48,777,906</b>	<b>130,880.40</b>	<b>94.95%</b>
<b>(b) Unlisted*</b>					
1	Eastern Medikit Limited	Pharmaceuticals	340,000	-	-
2	Pathaja Brothers Forgings and Stampings Limited	Industrial Products	340,000	-	-
	<b>Total</b>		<b>680,000</b>	<b>-</b>	<b>0.00%</b>
<b>(c) Money Market Instruments</b>					
	CBLO			7,755.30	5.62%
	<b>Total</b>			<b>7,755.30</b>	<b>5.62%</b>
<b>(d) Others</b>					
	<b>Net Current Assets</b>			<b>(787.35)</b>	<b>(0.57)%</b>
	<b>Total</b>			<b>(787.35)</b>	<b>(0.57)%</b>
	<b>Grand Total</b>			<b>137,848.35</b>	<b>100.00%</b>

@ Industry classification as recommended by AMFI.

\* indicates thinly traded/non traded and illiquid Securities as defined in SEBI Regulations and Guidelines.

- Notes:**
- The provision made for Non Performing Assets as of March 31, 2009 is Nil and its percentage to Net Asset Value is Nil.
  - Aggregate value of illiquid equity shares of the fund is Nil and its percentage to Net Asset Value is Nil.
  - Net Asset Values are as follows:
 

March 31, 2009	September 30, 2008
Morgan Stanley Growth Fund - Dividend #	Rs. 10.104
Morgan Stanley Growth Fund - Growth	Rs. 31.011
  - Effective January 19, 2009 i.e. the date of conversion of MSGF into an open-ended fund, a new plan namely "Dividend Plan" has been introduced. The scheme has not declared any dividend or bonus during the half year ended March 31, 2009.
  - As of March 31, 2009, there was no exposure in derivative products.
  - Total Market Value of investments in Foreign Securities, Fixed Deposits of Scheduled Commercial Bank & Securitised Debt Instruments as at March 31, 2009 is Nil.
  - During the current half-year, the portfolio turnover ratio for the scheme is 0.79. The portfolio turnover ratio has been calculated by dividing A by B (details given below)  
A: The number as obtained by division of Sum of Total Purchases and Total Sales for the half year ended March 31, 2009 by 2.  
B: The number as obtained of Average AUM for the period October 01, 2008 to March 31, 2009.
  - The scheme "Morgan Stanley Growth Fund" (MSGF) initially a close ended fund has been converted into an open ended fund effective January 19, 2009.

### Portfolio Statement of Morgan Stanley A.C.E. Fund (an open-ended Across Capitalisations Equity fund) as of March 31, 2009

Sr No.	Name of the Instrument	Industry @	Quantity	Mkt. Value (Rs. in Lakhs)	% to NAV
<b>Equity &amp; Equity Related</b>					
<b>Listed/Awaiting listing on Stock Exchanges</b>					
1	Reliance Industries Limited	Petroleum Products	45,465	693.23	9.34%
2	Bharti Airtel Limited	Telecom - Services	63,400	396.73	5.35%
3	HDFC Bank Limited	Banks	39,362	383.15	5.16%
4	Infosys Technologies Limited	Software	23,520	311.38	4.20%
5	Jindal Steel and Power Limited	Ferrous Metals	24,769	298.60	4.02%
6	Oil and Natural Gas Corporation Limited	Oil	29,254	228.24	3.08%
7	ICICI Bank Limited	Banks	68,147	226.79	3.06%
8	GVK Power & Infrastructure Limited	Power	959,097	224.43	3.02%
9	Reliance Infrastructure Limited	Power	40,300	207.77	2.80%
10	Marico Limited	Consumer Non Durables	342,000	206.23	2.78%
11	Bharat Heavy Electricals Limited	Industrial Capital Goods	13,100	197.88	2.67%
12	Hindustan Zinc Limited	Non - Ferrous Metals	41,854	188.82	2.54%
13	State Bank of India	Banks	17,600	187.81	2.53%
14	Axis Bank Limited	Banks	42,400	175.94	2.37%
15	Jaiprakash Associates Limited	Cement	202,700	170.47	2.30%
16	Ultra Tech Cement Limited	Cement	28,700	158.24	2.13%
17	Dabur India Limited	Consumer Non Durables	148,608	147.42	1.99%
18	Sun Pharmaceutical Industries Limited	Pharmaceuticals	13,000	144.49	1.95%
19	Cipla Limited	Pharmaceuticals	63,936	140.69	1.90%
20	Shaw Wallace & Company Limited	Consumer Non Durables	90,600	130.87	1.76%
21	Punjab National Bank	Banks	28,800	118.50	1.60%
22	Mphasis Limited	Software	57,304	116.47	1.57%
23	Larsen & Toubro Limited	Construction Project	17,020	114.27	1.54%
24	HDFC Limited	Finance	8,023	113.30	1.53%
25	Exide Industries Limited	Auto Ancillaries	273,900	113.26	1.53%
26	The India Cements Limited	Cement	105,061	111.36	1.50%
27	Kotak Mahindra Bank Limited	Banks	37,513	105.86	1.43%
28	Britannia Industries Limited	Consumer Non Durables	7,200	100.80	1.36%
29	Bank of India	Banks	45,800	100.49	1.35%
30	Hindustan Unilever Limited	Diversified	42,300	100.46	1.35%
31	Volta Limited	Construction Project	189,199	87.32	1.18%
32	Shree Cements Limited	Cement	12,057	85.66	1.15%
33	IDFC Limited	Finance	156,994	84.93	1.14%
34	Reliance Petroleum Limited	Petroleum Products	82,877	78.82	1.06%
35	Reliance Communications Limited	Telecom - Services	44,500	77.81	1.05%
36	Piramal Healthcare Limited	Pharmaceuticals	38,570	75.56	1.02%
37	Sintex Industries Limited	Industrial Products	76,800	75.15	1.01%
38	CESC Limited	Power	33,400	70.47	0.95%
39	Power Grid Corporation of India Limited	Power	73,612	70.37	0.95%
40	Bank of Baroda	Banks	30,000	70.31	0.95%
41	IVRCL Infra & Projects Limited	Construction	49,500	60.12	0.81%
42	IRB Infrastructure Developers Limited	Transportation	72,091	58.43	0.79%
43	B L Kashyap & Sons Limited	Construction	9,600	12.51	0.17%
	<b>Total</b>		<b>3,789,933</b>	<b>6,821.40</b>	<b>91.91%</b>
<b>(b) Money Market Instruments</b>					
	CBLO			475.89	6.41%
	<b>Total</b>			<b>475.89</b>	<b>6.41%</b>
<b>(c) Others</b>					
	<b>Net Current Assets</b>			<b>124.55</b>	<b>1.68%</b>
	<b>Total</b>			<b>124.55</b>	<b>1.68%</b>
	<b>Grand Total</b>			<b>7,421.84</b>	<b>100.00%</b>

@ Industry classification as recommended by AMFI.

**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. **Investment Objectives and Scheme Classification:** Morgan Stanley Growth Fund, an open-ended equity scheme seeks to achieve long-term capital appreciation by investing primarily in equity and equity related securities of companies having large market capitalization. Morgan Stanley A.C.E. Fund, an open-ended equity scheme, aims to generate long-term capital growth from an actively managed portfolio of equity and equity related securities including equity derivatives. **Risk Factors:** All Mutual Funds and securities investments are subject to market risks and there can be no assurance that the objectives of the respective Schemes 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 will that dividends be paid regularly. Investors in the Scheme are not being offered any guaranteed/assured returns. Morgan Stanley Growth Fund and Morgan Stanley A.C.E. Fund are only the names of the schemes and do not in any manner indicate the quality of the scheme, their 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, Scheme Information Document (SID) and 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.

#### Notes:

- The provision made for Non Performing Assets as of March 31, 2009 is Nil and its percentage to Net Asset Value is Nil.
- Aggregate value of illiquid equity shares is Nil and its percentage to Net Asset Value is Nil.
- Net Asset Values are as follows:
 

March 31, 2009	September 30, 2008
Morgan Stanley A.C.E. Fund - Dividend	Rs. 6.158
Morgan Stanley A.C.E. Fund - Growth	Rs. 6.158
- The scheme has not declared any dividend or bonus during the half year ended March 31, 2009.
- As of March 31, 2009, there was no exposure in derivative products.
- Total Market Value of investments in Foreign Securities, Fixed Deposits of Scheduled Commercial Bank & Securitised Debt Instruments as at March 31, 2009 is Nil.
- During the current half-year, the portfolio turnover ratio for the scheme is 2.00. The portfolio turnover ratio has been calculated by dividing A by B (details given below)  
A: The number as obtained by division of Sum of Total Purchases and Total Sales for the half year ended March 31, 2009 by 2.  
B: The number as obtained of Average AUM for the period October 01, 2008 to March 31, 2009.

### Unaudited Half Yearly Financial Results for the period ended March 31, 2009

Sr No.	Particulars		Morgan Stanley Growth Fund	Morgan Stanley A.C.E. Fund
1.1	Unit Capital at the beginning of the half - year period	(Rs. in Crores)	600.18	111.90
1.2	Unit Capital at the end of the period	(Rs. in Crores)	446.39	120.52
2	Reserves & Surplus	(Rs. in Crores)	932.10	(46.30)
3.1	Total Net Assets at the beginning of the half - year period	(Rs. in Crores)	2,525.76	92.03
3.2	Total Net Assets at the end of the period	(Rs. in Crores)	1,378.48	74.22
4.1	NAV at the beginning of the half year period			
	Growth Plan	(Rs.)	42.080	8.224
	Dividend Plan	(Rs.)	-	8.224
4.2	NAV at the end of the period			
	Growth Plan	(Rs.)	31.011	6.158
	Dividend Plan	(Rs.)	10.104 ^	6.158
4.3	Dividend paid per unit during the half - year	(Rs.)	-	-
<b>INCOME</b>				
5.1	Dividend	(Rs. in Crores)	5.04	0.18
5.2	Interest	(Rs. in Crores)	4.00	0.20
5.3	Profit/(Loss) on sale/redemption of investments (other than inter scheme transfer/sale.)	(Rs. in Crores)	(505.42)	(23.26)
5.4	Profit/(Loss) on inter-scheme transfer/sale of investments	(Rs. in Crores)	-	-
5.5	Profit/(Loss) on Foreign Currency operations	(Rs. in Crores)	1.10	-
5.6	Other Income	(Rs. in Crores)	0.30	-
5.7	Total Income (5.1 to 5.6)	(Rs. in Crores)	(494.98)	(22.88)
<b>EXPENSES</b>				
6.1	Management Fees	(Rs. in Crores)	8.29	0.44
6.2	Trustee Fees	(Rs. in Crores)	0.11	0.01
6.3	Total Recurring Expenses (including 6.1 and 6.2)	(Rs. in Crores)	8.84	0.89
6.4	Investments/Miscellaneous Receivables written off/(written back)	(Rs. in Crores)	(0.35)	-
6.5	Percentage of Management Fees to daily/weekly average net assets #	[%]	1.02%	1.25%
6.6	Total Recurring expenses as a percentage of daily/weekly average net assets #	[%]	1.09%	1.25%
7.1	Returns during the half year * [ (+) (-) ]		(26.30)%	(25.12)%
7.2	Compounded Annualised yield in case of schemes in existence for more than 1 year **			
	(i) Last 1 year	[%]	(41.32)%	N.A.
	(ii) Last 3 years	[%]	(12.45)%	N.A.
	(iii) Last 5 years	[%]	9.06%	N.A.
	(iv) Since the launch of the scheme	[%]	9.90%	(38.42)% \$\$
8.1	Returns on Benchmark Index during the half year \$\$		(26.14)%	(26.69)%
8.2	Compounded Annualised yield on Benchmark Index			
	(i) Last 1 year	[%]	(39.97)%	N.A.
	(ii) Last 3 years	[%]	(5.75)%	N.A.
	(iii) Last 5 years	[%]	10.75%	N.A.
	(iv) Since the launch of the scheme	[%]	6.52%	(41.52)% \$\$
9	Provision for Doubtful Income/Debts	(Rs. in Crores)	-	-
10	Payments to associate/group companies (if applicable)	(Rs. in Crores)	-	-
11	Investments made in associate/group companies (if applicable)	(Rs. in Crores)	-	-
12	Launch Date of the Scheme		6th Jan, 1994	11th Feb, 2008
	Date of Allotment		18th Feb, 1994	3rd April, 2008
	Benchmark Index		BSE 100	BSE 200

\* Considering Movement of NAV during the half-year and after adjustment of dividend, bonus, etc.

\*\* For the calculation of compounded annualised yield, the procedure prescribed in Scheme Information Document is followed. All Performance calculations are based only on NAV and payout to unit holders. The calculations of returns assumes that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

\$\$ Absolute Returns.

# Indicates annualised for the period.

^ Effective January 19, 2009 i.e. the date of conversion of MSGF into an open-ended fund, a new plan namely "Dividend Plan" has been introduced.

#### Notes:

- None of MSMF schemes has investment in Foreign Securities as at March 31, 2009.
- No changes have been carried out in the accounting policies during the half year period.
- Disclosure Under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended. During the half year ended March 31, 2009 Morgan Stanley Investment Management India Pvt. Ltd. (MSIMPL) has not utilized the services of the Sponsor or any of its affiliates, employees or their relatives for the purpose of any securities transaction as specified under Regulation 25(8) of SEBI Regulations.
- Disclosure Under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended.** Morgan Stanley Mutual Fund has made the following investments in companies, which hold units in excess of 5% of the net asset value of any Scheme of Morgan Stanley Mutual Fund for the period ended March 31, 2009.

Company Name	Schemes invested in by the Company	Investment made by schemes of Morgan Stanley Mutual Fund in the Company/subsidiary	Aggregated for the period under Regulation 25(11) At Cost	Outstanding as at March 31, 2009 at Market/Fair Value
Housing Development	Morgan Stanley	Morgan Stanley Growth Fund	19,577.31	-
Finance Corporation limited	A.C.E. Fund	Morgan Stanley A.C.E. Fund	782.71	113.30

- No unitholders hold over 25% of the NAV of the Schemes as at March 31, 2009.
- The Scheme has not declared any bonus, not borrowed any money during the half-year period and has no deferred revenue expenditure.
- During the period, Morgan Stanley A.C.E. Fund had exposure in derivative products. However, total outstanding derivative exposure in both the schemes as at March 31, 2009 is Nil.
- Since launch returns have been calculated from the date of allotment of the schemes on the face value of units i.e. Rs. 10/-.
- NAV of Growth option has been considered for calculation of returns.
- The Unaudited half yearly financial results for the period ending March 31, 2009 have been approved by the Board of Directors of MSIMPL and Board of Trustees of MSMF.
- The scheme "Morgan Stanley Growth Fund" (MSGF) initially a close ended fund has been converted into an open ended fund effective January 19, 2009.

## MORGAN STANLEY MUTUAL FUND