

Fact Sheet

February 2010



FIXED INCOME OVERVIEW

In its quarterly monetary policy review, the RBI hiked cash reserve ratio by 75bps and left all other administrative rates unchanged. It also revised upward its growth estimate for FY2010 to 7.5%, from earlier growth projection of 6% and its WPI inflation estimate to 8.5% for the year, compared with 6.5% projected earlier. The policy statement mentioned that there are significant concerns on inflation, but at the same time, the recovery is yet to take full hold. It highlighted that “strong anti-inflationary measures, while addressing one problem, may precipitate another by undermining the recovery, particularly by deterring private investment and consumer spending. The stance could well be looked as changing, from “managing the crisis” to “managing the recovery”.

The momentum in manufacturing sector continued with Index for Industrial Production (IP) rising by a larger-than expected 11.7% y-o-y in November. The breakdown of the number showed an extraordinary leap in consumer durables production to 37% from 20% earlier, the strongest figure since November 1995.

India's key price measure WPI, leaped to post acceleration at 7.31% in December. The fact is that the headline rate has moved up from negative in the middle of last year, to above the Reserve Bank's last 6.5% forecast, leading RBI to revise the forecast yet again. The breakdown of the December release showed all the three components picking up steam, with primary articles at 14.9% (from 11.8% in November), fuel, power and light at 4.3% (from -0.9%) and manufactured products 5.2% (from 4%). The Consumer Price Index continues to remain in the double digit. The CPI inflation for agricultural and rural labourers (CPI-AL and CPI-RL) rose to an 11-year high of 17.2% y-o-y and 17.0% y-o-y respectively in December, up from 15.7% each in November. The international crude price lost steam on the back of strengthening USD to close the month at around \$73 a barrel.

On the global front, the developments in China remained on the forefront. The PBOC has started to tighten liquidity, and curtail the humungous credit growth by raising its 3 month and 1 year PBOC bill yields by 4bps and 8bps respectively; it also unexpectedly hiked the bank reserve requirement by 50bps in order to cut burgeoning liquidity in the system. The risk aversion theme came back in vogue with global equity and commodity market reacting to the event. The Greece deteriorating credit profile added to the “safe haven” syndrome, resulting in Dollar gain against all major currencies. In line with the trend, the local currency also lost ground to close the month at INR 46.18 against INR 45.30 attained during the course of the month. The FIIs have remained net seller in the equity market during the month, adding to the sustained demand in the Greenback. The Foreign Exchange reserve closed at around \$282.94 billion as on 31st January '10. The liquidity situation in the market remained benign with around INR 750 billion still being in place in LAF.

The fixed income market and sovereign curve remained range bound due to relatively thin supply and aggressive bidding in the primary auctions despite policy action and leaping inflation. The auction supply got absorbed quite comfortably eyeing the end in the auction calendar for the year. The credit curve

EQUITY OVERVIEW

India was one of the best performing emerging markets in 2009 but as global worries took centre stage in January some of those gains reversed. In January 2010, MSCI India (USD) retreated 5.3% versus 5.7% for MSCI EM as the markets focused on tightening talk and dealt with contours of new proposed regulation in the US.

The big macro event in January for Indian markets was the monetary policy announcement where the Reserve Bank of India hiked the cash reserve ratio by 75 bps in two stages over the month of February. Expectedly in the run-up to the policy announcement, rate sensitive sectors like realty and auto underperformed the market with BSE sectoral indices down 9.2% and 6.5% respectively while consumer staples and technology outperformed.

The Union Budget will be the next macro event from which the market will take cues. We think this year it will be a tough balancing act between

performed well with spreads remaining tight.

Portfolio review for January '10

The comfortable liquidity position in the system assured that the short maturity yields stayed low during the month. In the marginal duration plan, we continue to rely on accrual income while in the active duration plan, anticipating volatility and uncertainty, we maintained cash.

Expectations for February '10

The upcoming budget and the borrowing numbers are likely to dictate the general direction of the market. The cancellation in the auction of 3G spectrum license in the current fiscal and higher fertilizer subsidy than what have been budgeted may lead to marginal extra borrowing in the current fiscal, leading to hardening in the yield curve. The portfolios duration in the bond plan is likely to be very low and in short term plan the focus will be to continue to generate accrual income with marginal duration risk.

Key Financial Data

Benchmark	Current Month	Previous Month	Previous Financial Year	Change	Change
	31/01/10	31/12/09	31/03/09	(Monthly)	(Since March 09)
364 Day T-bill (Primary)	4.67%	4.73%	5.50%	-0.05%	-0.83%
5-year Gilt Benchmark	7.15%	7.26%	6.76%	-0.11%	0.39%
10-year Gilt Benchmark	7.58%	7.59%	7.01%	-0.01%	0.57%
30-year Gilt Benchmark	8.44%	8.44%	8.42%	0.00%	0.02%
91 Day Manufacturing CP (P1+)	5.05%	4.25%	9.20%	0.80%	-4.15%
91 day Bank CD	4.65%	3.90%	9.75%	0.75%	-5.10%
1-yr AAA Spreads	1.30%	1.10%	2.36%	-0.15%	-1.06%
5-yr AAA Spreads	1.05%	1.00%	1.66%	-0.05%	-0.41%
5-yr OIS	6.89%	6.90%	5.61%	-0.02%	1.28%
CRR	5.00%	5.00%	5.00%	0.00%	0.00%
RBI LAF- Reverse Repo Rate*	3.25%	3.25%	3.50%	0.00%	-0.25%
Foreign Exchange Reserve (\$ bn)	282.94	283.50	252.33	(0.56)	30.61
Nymex Crude	72.89	79.36	49.66	(6.47)	23.23
US Fed Funds Rate	0.25%	0.25%	0.25%	0.00%	0.00%
US 10-yr Gilt	3.58%	3.84%	2.66%	-0.25%	0.92%
INR/USD	46.18	46.53	50.73	-0.75%	-8.97%
USD/Euro	1.39	1.43	1.33	3.20%	-4.63%
USD/Yen	90.27	93.02	98.96	-2.96%	-8.78%

*RBI Repo Rate at 4.75%

Sources – Internal & Bloomberg

Ritesh Jain

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

continuing fiscal stimulus and reducing the budget deficit and in that context there could be volatility in the markets around this event. Globally, all eyes will be on how the dynamics of tightening and stimulus play out in the Chinese arena as well as the nature and extent of recovery in the developed world. The market may remain nervous, as talks of new regulations will keep making it to the headlines.

From MSGF portfolio standpoint, we continue to remain overweight on consumer related sectors and have also increased our overweight in industrials and healthcare. We continue to remain underweight financials, energy and materials.

Sridhar Sivaram and Amay Hattangadi

Lead Portfolio Managers, Large Cap Equities

Morgan Stanley A.C.E. Fund

(An open-ended Across Capitalisations Equity Fund)

Details as on Jan. 29, 2010

Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
Software		12.71%
	✓ Infosys Technologies Limited	4.19%
	✓ Tata Consultancy Services Limited	2.78%
	Wipro Limited	1.15%
	Oracle Financial Services Software Limited	1.15%
	Mphasis Limited	1.15%
	Polaris Software Lab Limited	1.14%
	Infotech Enterprises Limited	0.93%
	Infinite Computer Solutions India Ltd	0.22%
Banks		12.39%
	✓ ICICI Bank Limited	4.64%
	✓ HDFC Bank Limited	3.16%
	✓ IndusInd Bank Limited	2.34%
	Axis Bank Limited	2.25%
Consumer Non Durables		10.74%
	✓ ITC Limited	2.48%
	Lakshmi Energy and Foods Limited	1.78%
	Emami Limited	1.73%
	Dhampur Sugar Mills Limited	1.69%
	Marico Limited	1.66%
	United Spirits Limited	1.40%
Pharmaceuticals		7.23%
	✓ Aurobindo Pharma Limited	2.28%
	Cadila Healthcare Limited	2.20%
	Dr. Reddy's Laboratories Limited	1.51%
	Opto Circuits India Limited	1.24%
Petroleum Products		6.05%
	✓ Reliance Industries Limited	6.05%
Industrial Capital Goods		5.25%
	✓ Sterlite Technologies Limited	2.28%
	Crompton Greaves Limited	1.86%
	Bharat Heavy Electricals Limited	1.11%
Power		4.36%
	KEC International Limited	2.08%
	Torrent Power Limited	1.15%
	GVK Power and Infrastructure Limited	1.13%
Gas		4.17%
	Gujarat State Petronet Limited	2.19%
	GAIL India Limited	1.98%
Construction		3.85%
	Sobha Developers Limited	1.92%
	The Phoenix Mills Limited	1.79%
	Emami Infrastructure Limited	0.14%
Finance		3.78%
	Power Finance Corporation Limited	1.65%
	Housing Development Finance Corporation Limited	1.31%
	India Infoline Limited	0.82%
Non - Ferrous Metals		2.92%
	Hindalco Industries Limited	1.47%
	Hindustan Zinc Limited	1.45%
Cement		2.63%
	Shree Cement Limited	1.60%
	Jaiprakash Associates Limited	1.03%
Auto		2.52%
	✓ Mahindra and Mahindra Limited	2.52%
Consumer Durables		2.16%
	Bajaj Electricals Limited	2.16%

Industry Classification	Security Description	% of Total Net Assets
Ferrous Metals		1.78%
	Usha Martin Limited	1.78%
Retailing		1.77%
	Shoppers Stop Limited	1.77%
Media & Entertainment		1.64%
	Deccan Chronicle Holdings Limited	1.64%
Telecom - Services		1.17%
	Bharti Airtel Limited	1.17%
Transportation		0.86%
	The Great Eastern Shipping Co. Limited	0.86%
Auto Ancillaries		0.56%
	Ceat Limited	0.56%
Construction Projects		0.47%
	Larsen and Toubro Limited	0.47%
Cash and other assets		10.99%
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%

Expense Ratio:

2.45% of average daily net assets

Portfolio Turnover:

1.94

NAV:

Growth Rs. 12.788 per unit
Dividend Rs. 12.788 per unit

Fund AUM:

Rs. 164 crore

Performance (in %)

Period	Fund Returns	BSE 200
6 months*	19.99	8.15
1 year*	112.05	86.55

Compounded Annualised Return

Since Inception (April 03, 2008) 14.39 3.18

Past performance may or may not be sustained in future. *Absolute returns of the growth option are computed. Since Inception returns are calculated on Rs. 10/- invested at inception.

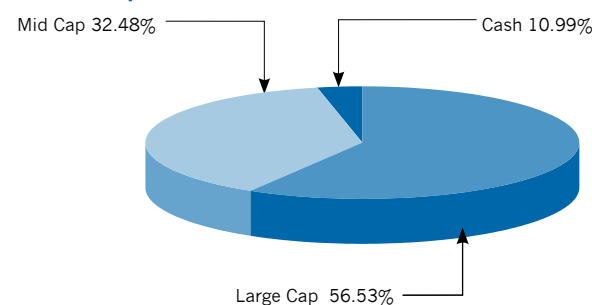
SIP Performance - Growth option (as on Jan. 29, 2010)

If Rs. 2000/- were invested per month, from Feb. 10, 2009 to Jan. 10, 2010

Total Amount Invested (Rs.)	Present Value (Rs.)	Profit (Rs.)	Annualised Returns % (XIRR)
24000	34492	10492	96.17

Past performance may or may not be sustained in future.

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 Jan. 29, 2010

Portfolio (✓ Top Ten Holdings)

Industry Classification	Security Description	% of Total Net Assets
Banks		16.73%
	✓ HDFC Bank Limited	8.11%
	IndusInd Bank Limited	2.30%
	Yes Bank Limited	2.12%
	Bank of Baroda	2.12%
	ICICI Bank Limited	2.08%
Software		13.21%
	✓ Infosys Technologies Limited	8.24%
	✓ Tata Consultancy Services Limited	3.27%
	Wipro Limited	1.70%
Consumer Non Durables		12.98%
	Shree Renuka Sugars Limited	2.47%
	ITC Limited	2.44%
	Nestle India Limited	2.42%
	McLeod Russel India Limited	1.80%
	Balrampur Chini Mills Limited	1.28%
	KS Oils Limited	1.05%
	Godrej Consumer Products Limited	1.04%
	Asian Paints Limited	0.48%
Auto		9.15%
	✓ Hero Honda Motors Limited	4.25%
	✓ Tata Motors Limited	3.35%
	Ashok Leyland Limited	1.55%
Pharmaceuticals		8.57%
	✓ Dr. Reddy's Laboratories Limited	3.44%
	Glenmark Pharmaceutical Limited	2.47%
	Aurobindo Pharma Limited	1.63%
	Ranbaxy Laboratories Limited	1.03%
Media & Entertainment		6.73%
	✓ Sun TV Network Limited	3.91%
	✓ Deccan Chronicle Holdings Limited	2.82%
Construction Projects		5.92%
	Gammon India Limited	2.22%
	Hindustan Construction Co Limited	1.97%
	Larsen and Toubro Limited	1.73%
Power		4.92%
	KSK Energy Ventures Limited	2.51%
	NHPC Limited	1.21%
	Torrent Power Limited	1.20%
Petroleum Products		4.88%
	✓ Reliance Industries Limited	4.88%
Non - Ferrous Metals		4.61%
	Hindalco Industries Limited	2.47%
	Hindustan Zinc Limited	2.14%
Industrial Capital Goods		3.86%
	✓ Bharat Heavy Electricals Limited	3.86%
Ferrous Metals		1.53%
	Usha Martin Limited	1.04%
	Tata Steel Limited	0.49%
Cement		1.52%
	Jaiprakash Associates Limited	1.52%
Transportation		1.24%
	Mundra Port and Special Economic Zone Limited	1.24%
Industrial Products		1.24%
	Ess Dee Aluminium Limited	1.24%
Construction		1.11%
	The Phoenix Mills Limited	1.11%
Gas		0.72%
	Gas Authority Of India Limited	0.72%
Cash and other assets		1.08%
Grand Total		100.00%

Fund Features:

Asset Allocation:

Equity and Equity related instruments of companies having large market capitalization¹: 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. 54.689 per unit
Dividend* Rs. 17.820 per unit
*option introduced on Jan. 19, 2009

Expense Ratio:

1.89% of average daily net assets

Portfolio Turnover:

0.93

Volatility Measures:

(for trailing 3 year period)
Standard Deviation 10.04%
Beta 0.91
Sharpe Ratio -0.12

Fund AUM:

Rs. 1931.74 crore

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

Performance (in %)

Period	Fund Returns*	BSE 100
6 months [^]	9.23	6.50
1 year [^]	80.73	81.78
Compounded Annualised Growth Rate		
Last 3 years	1.73	6.81
Last 5 years	17.60	19.85
Since inception (18th February 1994)	13.31	10.01

Past performance may or may not be sustained in future. *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. [^]Absolute Returns

SIP Performance - Growth option (as on Jan. 29, 2010)

If Rs. 2000/- were invested per month, from Feb. 10, 2009 to Jan. 10, 2010

Total Amount Invested (Rs.)	Present Value (Rs.)	Profit (Rs.)	Annualised Returns % (XIRR)
24000	30827	6827	60.37

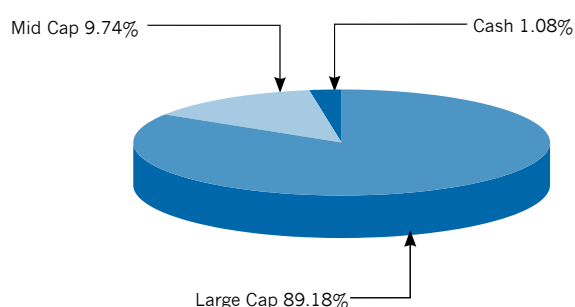
Past performance may or may not be sustained in future.

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[#]



[#]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 Jan. 29, 2010

Portfolio

Security Description	Rating	% of Total Net Assets
Money Market Instruments		57.37%
Punjab National Bank	PR1+	5.84%
Bank of Baroda	F1+	5.83%
State Bank of Patiala	P1+	5.83%
UCO Bank	P1+	5.81%
United Bank of India	A1+	5.77%
Vijaya Bank	PR1+	5.72%
Yes Bank	A1+	5.71%
Kotak Mahindra Bank	P1+	5.71%
Indian Oil Corporation	P1+	5.64%
Axis Bank	P1+	5.51%
Corporate Debt		12.09%
Power Finance Corporation	AAA	6.22%
Housing Development Finance Corporation	AAA	5.87%
Cash & Current Assets		30.54%
Grand Total		100.00%

Performance (in %)

Plan	Fund Returns* (since inception May 26, 2009)	Crisil Short Term Bond Fund Index
Regular Plan	3.48	2.94
Institutional Plus Plan	3.74	2.94

Past performance may or may not be sustained in future. *Absolute returns of the growth option are computed. Since Inception returns are calculated on Rs. 10/- invested at inception.

Rating Profile

Rating Category	
AAA	69.46%
Cash & Current Assets	30.54%
Grand Total	100.00%

Asset Allocation

Asset Class	
Money Market Instruments	57.37%
Corporate Debt	12.09%
Cash & Current Assets	30.54%
Grand Total	100.00%

Fund Features:

Plans/Options and NAV (Rs.):	Average Maturity: 4.49 months
Institutional Plus Plan	Modified Duration: 0.37 years
Weekly Dividend	Yield to Maturity: 4.39%
Reinvestment: 10.0556	Rating:
Monthly Dividend	Credit risk rating mfAAA by ICRA [#]
(Payout and Reinvestment): 10.0000	Fund AUM:
Growth: 10.3744	Rs. 85.50 crore
Regular Plan	
Monthly Dividend	
(Payout and Reinvestment): 10.0764	
Growth: 10.3477	
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	Jan. 29, 2010	0.0402	0.0432	10.0271
Regular Plan-Monthly Dividend	Dec. 24, 2009	0.0302	0.0324	10.0313
Regular Plan-Monthly Dividend	Nov. 27, 2009	0.0313	0.0336	10.0422

Note: Face Value Rs. 10 per unit.

Morgan Stanley Active Bond Fund

(An open-ended Debt Fund)

Details as on Jan. 29, 2010

Portfolio

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

Performance (in %)

Plan	Fund Returns* (since inception May 28, 2009)	Crisil Composite Bond Fund Index
Regular Plan	0.30	2.71
Institutional Plus Plan	0.68	2.71

Past performance may or may not be sustained in future. *Absolute returns of the growth option are computed. Since Inception returns are calculated on Rs. 10/- invested at inception.

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%

Fund Features:

Plans/Options and NAV (Rs.):	Average Maturity: 0.09 months
Institutional Plus Plan	Modified Duration: 0.009 years
Quarterly Dividend	Yield to Maturity: 2.13%
(Payout and Reinvestment): 10.0002	Rating:
Growth: 10.0677	Credit risk rating mfAAA by ICRA [#]
Regular Plan	Fund AUM:
Quarterly Dividend (Payout and Reinvestment): 10.0303	Rs. 13.39 crore
Growth: 10.0303	
Expense Ratio:	
Institutional Plus Plan 1.20%	
Regular Plan 1.75%	

[#]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	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 - 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: 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
Additional Investment	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
Minimum Repurchase amount	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
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 2209 7130
• Pune 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

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), carefully before investing.**