

Notice-cum-addendum

A. Addendum to Scheme Information Documents of Morgan Stanley Growth Fund, Morgan Stanley A.C.E. Fund, Morgan Stanley Short Term Bond Fund, and Morgan Stanley Active Bond Fund:

SEBI has, in order to enhance the reach of MF schemes to more towns and cities, issued a circular No. SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009 advising that the existing infrastructure for secondary market transactions can be used for facilitating transactions in Mutual Fund schemes.

Accordingly, Notice is hereby given that in terms of the aforesaid circular and subsequent operating guidelines issued by National Stock Exchange ["NSE"] and Bombay Stock Exchange ["BSE"], the units of the following schemes of Morgan Stanley Mutual Fund can be transacted through eligible registered trading members ["Brokers"] of NSE and BSE, from March 29, 2010 onwards:

1. Morgan Stanley Growth Fund, an open-ended equity Fund;
2. Morgan Stanley A.C.E. Fund, an open-ended Across Capitalisations Equity Fund;
3. Morgan Stanley Short Term Bond Fund, an open-ended debt Fund, and
4. Morgan Stanley Active Bond Fund, an open-ended debt Fund.

In order to facilitate transactions in mutual funds units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform and NSE has introduced Mutual Fund Service System ["MFSS"], hereinafter collectively called as "the Stock Exchange Platform".

Those investors desiring to transact through the Stock Exchange Platform may note the following:

1. Investors, whether existing or new, shall be eligible to transact through Stock Exchange Platform.
2. The Stock Exchange Platform currently permits only purchase/redemption of Units. Switching of units is currently not permitted. **Investors should also note that the Units of the Schemes are not listed on Stock Exchange and hence the same cannot be traded thereon. The Stock Exchange Platform is only to enable purchase/redemption of Units.**
3. Brokers who are eligible to enable transactions through the Stock Exchange Platform would be considered as Official Points of Acceptance. Such Brokers would issue a time stamped confirmation slip for the transaction entered into the system, which shall be considered for applicability of NAV.
4. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings. Currently, the cut-off time is 3.00 pm for all the aforesaid Schemes of the Fund.
5. Units can be held by investors in physical [i.e. through Statement of Account] or dematerialized [demat] mode, as may be opted by them. However, in case of purchase transaction, investor will have to transfer the funds to AMFI certified Stock Exchange Broker irrespective of mode of holding i.e. physical or demat. Separate folios will be allotted for Units held in physical and demat mode.

Units in Physical Mode-Subscription/redemption process:

- (a) Investors desiring to purchase/redeem the Units in physical form, [i.e. where Units are held through Statement of Account issued by Mutual Fund] should approach Brokers with the application form for the subscription/redemption with applicable documents, if any.
- (b) Minimum amount or units for redemption shall be Rs. 1,000/- or 100 Units or account balance, whichever is lower.
- (c) Unit holders may also submit their redemption requests to any of the Investor Service Centres of the Fund (ISCs). Redemption payouts will be made to the Unit holder's bank account as per bank mandate registered with the Fund and within the timeline as per SEBI regulations.
- (d) Existing Unit holders desiring to convert the existing physical Units into demat form must submit dematerialization request at their Depository Participant (DP).
- (e) An account statement evidencing the transaction will be issued by Morgan Stanley Mutual Fund to investors.

Units in Demat Mode:

- (a) Investors intending to deal in depository mode (i.e. holding Units in electronic form in a depository account) should have a demat account with a DP. For such investors, the KYC performed by DP in terms of SEBI Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004 shall be considered enough compliance with applicable requirements specified in this regard in terms of SEBI Circular ISD/AML/CIR-1/2008 dated December 19, 2008.
 - (b) The investor who chooses the depository mode is required to place an order for purchase/redemption [subject to applicable limits prescribed by Stock Exchanges] with the Broker.
 - (c) Minimum amount or units for redemption shall be Rs. 1,000/- or 100 Units or account balance, whichever is lower.
 - (d) In case of purchase, the Registrar will credit the Units to the depository account of the investor directly. In case of redemption, payout will be a made to the Unit holder's bank account as recorded with the Depository.
 - (e) A demat statement will be sent by the DP showing the credit/debit of Units to investor's account. The Fund would not be issuing any account statement in such cases.
 - (f) Investors who hold Units in demat mode can only transact through the Stock Exchange Platform. In case investors wish to transact through any other mode, they can do so after rematerializing the Units by making an application to their DP.
- 6. Non-Financial Transactions/Service requests:** For non-financial transactions/service requests such as change of address, change of bank details, etc., investors should approach ISCs if Units are held in physical mode and their respective DPs if Units are held in demat mode.

The Board of Trustees to Morgan Stanley Mutual Fund/Morgan Stanley Investment Management Private Limited, Investment Manager to Morgan Stanley Mutual Fund, may from time to time, reserve the right to withdraw or include any other Scheme [existing or future] or vary the terms of this facility in accordance with the applicable guidelines and regulations.

B. Change in minimum amount/units for redemption:

Provisions with respect to minimum amount/units for redemption as mentioned in the respective Scheme Information Documents stand revised from "Rs. 1,000/- and in multiples of Re. 1 thereafter" to "**Rs. 1,000/- or 100 Units or account balance whichever is lower**".

This addendum dated March 25, 2010 forms an integral part of Scheme Information Documents (SID) and Key Information Memorandum (KIM) of the Schemes of Morgan Stanley Mutual Fund. All the other terms and conditions mentioned in the SID and KIM of the respective Scheme/s remain unchanged.

Reminder - Unclaimed Dividend for Morgan Stanley Growth Fund:

Dividend History of Morgan Stanley Growth Fund:				[Face Value: Rs. 10 per unit]	
Record Date	Date of Declaration	Dividend per unit (Rs.)	Ex-Dividend NAV Date	Ex-Dividend NAV per unit (Rs.)	
July 9, 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, 6, 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	

Past performance is not a guarantee of future returns.

Unit holders who have either not received or encashed their dividend warrants are requested to
 Email: msmfcustomercare@karvy.com
 Call: 1800 425 1313 (Toll Free) or 040 2342 8757 (STD rates apply)
 Write to us: Karvy Computershare Private Limited
 Unit: Morgan Stanley Mutual Fund
 21 Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034.

For **Morgan Stanley Investment Management Pvt. Ltd.**
 (Investment Manager of Morgan Stanley Mutual Fund)

Sd/
 Sonali Bendke
 Vice President

For more information, please contact

Morgan Stanley Investment Management Private Limited
 Registered Office: Forbes Building, Charanjit Rai Marg, Mumbai – 400 001
 Tel: 22 2209 6000 Fax: 22 2209 6606 Toll Free: 1800 425 1313
www.morganstanley.com/indiamf

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, 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 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.**