

## PUBLIC NOTICE TO THE UNIT HOLDERS OF MORGAN STANLEY GROWTH FUND (MSGF)

### CONVERSION OF MSGF INTO AN OPEN-ENDED SCHEME

Morgan Stanley Growth Fund (MSGF), an equity oriented scheme is a close ended mutual fund scheme launched by Morgan Stanley Mutual Fund (MSMF) in January 1994. MSGF is currently listed on Bombay Stock Exchange ('BSE'), National Stock Exchange ('NSE'), Calcutta Stock Exchange (CSE), Delhi Stock Exchange ('DSE'), Madras Stock Exchange ('MSE') and Ahmedabad Stock Exchange ('ASE'). In order to provide investors with the opportunity to continue with their investments in MSGF and offer them advantages associated with open ended funds for e.g. daily subscriptions, redemptions, switches, Systematic Investment Plans and other facilities, the Board of Directors of Morgan Stanley Investment Management Private Limited (AMC) and the Board of Trustees of MSMF have decided to convert MSGF into an open-ended scheme with a perpetual duration.

Since conversion of close ended MSGF into an open ended scheme is a change in the fundamental attribute of the scheme, as a regulatory requirement, MSMF would provide at least 30-day exit option period without exit load to unit holders wherein the unit holders can exercise the following options at applicable NAV:

- [i] Continue to remain invested in open-ended MSGF (Growth option); or
- [ii] Redeem their units [partly or fully]; or
- [iii] Switch their units [partly or fully] into Morgan Stanley A.C.E. Fund, an equity oriented scheme of MSMF.

Unit holders of MSGF are requested to note that 15<sup>th</sup> December, 2008 is the RECORD DATE for taking into account the complete list of unit holders who would be eligible to exercise various options as aforesaid corresponding to the number of units held by them as on Record Date. The necessary individual communication including Option Exercise Letter, specifying the procedure applicable for exercising various options shall be dispatched to the unit holders at the address mentioned in our records.

Unit holders are further informed that option to trade in units of MSGF on the respective Stock Exchanges where it is listed will not be available from the commencement of 'No Dealing' period fixed by the Stock Exchanges prior to the Record Date. Subsequently, the feature of listing and trading in MSGF on the respective Stock Exchanges will not be available.

Unit holders through this notice are further urged to note that exit option period commences from 18<sup>th</sup> December, 2008 and closes on 16<sup>th</sup> January, 2009 (both days inclusive) [hereinafter referred as 'the Option Exercise Period'] during which the unit holders would have the option to exercise various options as provided in Option Exercise Letter. In accordance with SEBI (Mutual Funds) Regulations, 1996 the unit holders who exit from MSGF during the Option Exercise Period by way of switch or redemption shall not be charged any exit load.

Unit holders may please note that NAV of MSGF declared by the AMC shall not be applicable for transactions done, if any, on the Stock Exchanges up to commencement of 'No Dealing' period and shall be applicable only from the commencement of Option Exercise Period i.e. 18<sup>th</sup> December, 2008. Unit holders are requested to note that as of 26<sup>th</sup> November, 2008, the closing market price of MSGF on BSE is Rs. 27.57 per unit, and that of NSE is Rs. 27.70 per unit. The NAV of MSGF as of 26<sup>th</sup> November, 2008 is Rs. 29.34 per unit.

MSGF will be an open ended scheme from the business day immediately following the closure of Option Exercise Period. Unit holders who continue to hold MSGF units at the end of Option Exercise Period will be sent an Account Statement, providing the details of units held. All future transactions post the closure of the Option Exercise Period shall be done with MSMF. Unit holders may please note that in case they are holding physical unit certificates of MSGF and have yet not lodged their physical unit certificates for registration/transfer in their name, we strongly advise such unit holders to complete the necessary registration/transfer/dematerialization formalities to ensure that their name is reflected in the Register of unit holders of MSGF as of the RECORD DATE i.e. 15<sup>th</sup> December, 2008.

Unit holders are urged to note that in case they have pledged/charged the units of MSGF to any other person, they are requested to get the pledge vacated/released with respect to such units prior to exercising the option to be entitled to exercise/avail of the options as set out in the Option Exercise Letter.

Unit holders as of Record Date i.e. 15<sup>th</sup> December, 2008 who do not receive the individual communication for exercising the options prior to the commencement of the Option Exercise Period may please contact the Registrar, M/s Karvy Computershare Private Limited, 21 Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034. Should you have any doubts regarding the procedure in exercising the options under the Option Exercise Letter, please contact the Investor Relations Officer at 5th Floor, Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400 001 or email us at [mfinvestorcare@morganstanley.com](mailto:mfinvestorcare@morganstanley.com) or call our Toll Free No.: 1800 425 1313 or our Non Toll Free No.: 040 2342 8757.

Date: 28<sup>th</sup> November, 2008

For **Morgan Stanley Investment Management Pvt. Ltd.**

Place: Mumbai

Sd/-  
Compliance Officer

**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 Objective:** Morgan Stanley Growth Fund is a closed end equity scheme with long-term capital appreciation as its investment objective. The Scheme will seek to achieve this objective through investment, primarily in equity and equity-related securities of Indian companies.

**Risk Factors:** All investments in Mutual Funds and securities are subject to market and other risks and the NAV of units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. There can be no assurance that the objectives of the Scheme of the fund will be achieved. Investments in close-ended schemes are subject to market risks of infrequent trading, possibility of market price of units being traded at a discount to NAV etc. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. The name of the Scheme does not indicate the quality of the Scheme, its future prospects or returns. The past performance of the Mutual Funds managed by the Sponsors and their affiliates/ associates is not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operations of the Scheme beyond their initial contribution of Rs. 5 Lacs towards setting up of the Mutual Fund and such other accretions and additions to the corpus. Investors in the Scheme are not being offered a guaranteed or assured rate of return. 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 should read the offering circular and Scheme Information Document carefully before investing.