

Notice-cum-Addendum

Scheme Information Document [SID]/Statement of Additional Information [SAI]/Key Information Memorandum [KIM] of the Schemes of Morgan Stanley Mutual Fund

Notice is hereby given that the following changes will be effected to the Scheme Information Documents [SIDs] and Key Information Memorandum [KIM] of all the Schemes of Morgan Stanley Mutual Fund ["the Fund"]. The provisions of the addendum shall be applicable on a prospective basis, effective from August 1, 2009.

A. Entry and Exit Load

1. Entry Load:

In accordance with the requirements specified by the SEBI circular No. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase/additional purchase/switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/Systematic Transfer Plan accepted by the Fund with effect from August 1, 2009. The upfront commission on investment made by the investor shall be paid to the ARN holder [AMFI registered distributor] directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN holder.

2. Exit Load/Contingent Deferred Sales Charge ["CDSC"]:

With effect from August 1, 2009, exit load/CDSC, if any, up to 1% of the redemption value charged to the Unit holder by the Fund on redemption of units shall be retained by each of the Schemes in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses. Any amount in excess of 1% of the redemption value charged to the Unit holder as exit load/CDSC shall be credited to the respective Scheme immediately.

B. Systematic Investment Plan [SIPs] up to Rs. 50,000/- exempt from Permanent Account Number [PAN]

In compliance with SEBI letter No. MRD/DoP/PAN/PM/166999/2009, dated June 19, 2009 issued to Association of Mutual Funds in India [AMFI], and subsequent guidelines issued by AMFI in this regard, effective August 1, 2009, SIPs up to Rs. 50,000/- per year per investor at Fund House level i.e. aggregate of installments in a rolling 12 month period or in a financial year i.e. April to March [to be referred as "Micro SIP"] shall be exempt from the requirement of PAN.

This exemption shall be applicable to investments by individuals [including NRIs], minors, and sole proprietary firms. Such exemption shall be applicable to joint holders also. However, PIOs, HUFs, Partnership Firms, Companies, Societies, Trusts and any other category of investors investing up to Rs. 50,000/- as above shall not be eligible for such exemption. Further, this exemption will not be applicable for lump-sum purchase transaction up to Rs. 50,000/- which will continue to be subject to PAN requirement.

In lieu of PAN, any one of the following photo identification documents can be submitted along with Micro SIP applications as proof of identification:

1. Voter Identity Card 2. Driving License 3. Government/Defense identification card 4. Passport 5. Photo Ration Card 6. Photo Debit Card 7. Employee ID cards issued by companies registered with Registrar of Companies 8. Photo Identification issued by Bank Managers of Scheduled Commercial Banks/Gazette Officer/Elected Representatives to the Legislative Assembly/Parliament 9. ID card issued to employees of Scheduled Commercial/State/District Co-operative Banks 10. Senior citizen/Freedom Fighter ID card issued by Government 11. Cards issued by Universities/Deemed Universities or Institutes under statutes like ICAI, ICWA, ICSI 12. Permanent Retirement Account Number [PRAN] card issued to New Pension System [NPS] subscribers by Central Recordkeeping Agency [NSDL] and 13. Any other photo ID card issued by Central Government/State Governments/Municipal authorities/ Government organizations like ESIC/EPFO.

The Photo identification document has to be current and valid and also either self-attested or attested by an ARN holder mentioning the ARN number.

C. Revised Load Structure of Morgan Stanley Growth Fund [MSGF] and Morgan Stanley A.C.E. Fund [MSACE]

The following revisions have been made in the load structure of MSGF and MSACE, equity oriented schemes of Morgan Stanley Mutual Fund [MSMF]. The same will be applicable on a prospective basis from Monday, August 1, 2009:

Type of Load [For MSGF and MSACE Fund]	Revised Load Structure [as % of NAV]
Entry Load	
For all purchase, additional purchase, switch-in, Systematic Investment Plan and Systematic Transfer Plan applications irrespective of amount	Nil
Exit Load [including SIP, SWP and STP]	
[a] For purchases of less than Rs. 5 crore:	
If redeemed on or before the expiry of 3 years from the date of allotment	1%
If redeemed after the expiry of 3 years from the date of allotment	Nil
[b] For purchases of Rs. 5 crore and above:	
If redeemed on or before the expiry of 90 days from the date of allotment	0.5%
If redeemed after the expiry of 90 days from the date of allotment	Nil

Load exemptions and switch related provisions remain unchanged as follows:

Load Exemptions: No entry and exit load shall be charged in case of: [i] issue and redemption of bonus units, [ii] units allotted on re-investment of dividend, and [iii] investment by Fund-of-Funds Schemes.

For the purposes of applicability of exit load in case of [a] switches made between different plans/options of the same Scheme, the original date of investment shall be considered for the purposes of calculating holding period, and [b] switches made into the Scheme from any other equity oriented scheme/s of MSMF, the date of switch shall be considered for the purposes of calculating holding period. Please note that in case of both point [a] and point [b] above, Exit Load, if any, shall be applicable only at the time of final exit from the equity oriented schemes of MSMF.

The Board of Trustees of MSMF reserves the right to modify the load structure at any time in future on a prospective basis. However, such revision would be subject to the limits prescribed under the Securities and Exchange Board of India [Mutual Funds] Regulations, 1996 as amended from time to time.

D. Addition to specified date/s for SIP and STP:

In case of Equity oriented Schemes:

With immediate effect, the specified dates for commencing SIP/STP, would be 1st, 5th, 10th, 15th, 20th, and 25th of every month/any month of a calendar quarter as against 1st, 5th, 10th, 15th and 25th earlier.

In case of Debt Schemes:

With immediate effect, the specified dates for commencing SIP/STP would be 1st, 5th, 10th, 15th, 20th, and 25th of any month as against 1st, 5th, 10th, 15th and 25th earlier. Further, with immediate effect, the minimum number of STP installments shall be six.

This addendum dated July 29, 2009 forms an integral part of SIDs and KIM of the respective Schemes of the Fund. All the other terms and conditions mentioned in the SID and KIM of the respective Scheme/s remain unchanged.

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

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Sd/-
Sonal Bendke
Vice President

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 and Morgan Stanley Growth 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 Scheme Information Documents, Statement of Additional Information and Key Information Memorandums [available at Investor Service Centres, Distributors, and on the Mutual Fund website www.morganstanley.com/indiamf], carefully before investing.**