

Sterling Liquidity Fund (Corporate Share Class)

FUND HIGHLIGHTS

The Morgan Stanley Sterling Liquidity Fund offers the following benefits:

- Security: the fund is rated AAAM by S&P, Aaa MR1+ by Moody's and AAA V1+ by Fitch reflecting the credit quality and security of the Fund. IMMFA recognised.
- Liquidity: competitive dealing deadlines and same day access give you flexibility and control.
- Yield: providing an attractive rate of return with daily access.

FUND AIM

Seeks to provide liquidity and an attractive rate of return, to the extent consistent with the preservation of capital.

INVESTMENT POLICY

The fund includes investments in highly liquid short term securities, such as commercial paper, certificates of deposit and government bills, which are denominated in Sterling and mature within 397 days.



FUND MANAGER

Corinne is a member of the Fixed Income team. She joined Morgan Stanley in 2006 and has 12 years of investment experience. Prior to joining the firm, she was a senior portfolio manager in the short duration team at JPMorgan Asset Management. Corinne was also a European government bonds and derivatives trader for the fixed income group. She received a BA in economics from the University of Aix-Marseille, France, an MA in finance from the University of Sussex and an MBA from the London Business School.

Corinne Lewis-Reynier
Executive Director

PERFORMANCE RETURNS VS. 1 WEEK GBP LIBID ("INDEX") IN STERLING¹

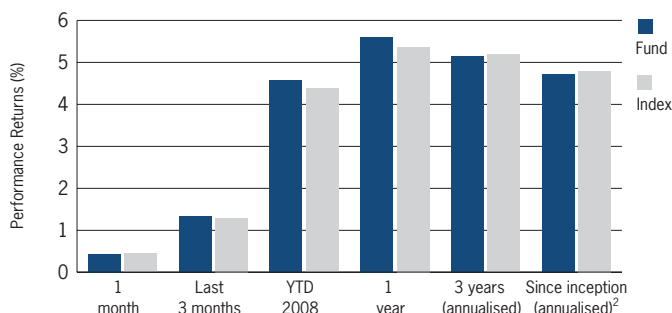
Period	Fund (net of fees) %	Index %
One month	0.44	0.45
Last three months	1.33	1.29
Year to date	4.57	4.38
One year	5.61	5.37
Three years (annualised)	5.14	5.19
Since inception (annualised) ²	4.71	4.80

Calendar Year Returns

2004	4.33	4.43
2005	4.57	4.67
2006	4.74	4.70
2007	5.61	5.71

Past performance is no indication of current or future performance. This performance data does not take account of commissions and costs incurred on the issue and redemption of units.

STERLING LIQUIDITY FUND PERFORMANCE RETURNS VS. 1 WEEK GBP LIBID¹



Publication date: 11/11/08 and all data as of 31 October 2008.

¹From 1 July 2007, the basis for calculation of performance changed to the sum of the daily income distribution per share. Prior to this date, performance was based on total income distribution divided by the number of shares at month-end.

²The inception date of the Morgan Stanley Funds p.l.c. Sterling Liquidity Fund is 10 June, 2003.

³Excludes overnight deposits.

PORTFOLIO CHARACTERISTICS

Top 5 holdings ³	%
The Royal Bank of Scotland Plc	3.24
YBC Bank NV	3.24
Nordea Bank Finland Plc	3.24
Credit Agricole SA, Leadenhal	2.60
Scaldis Capital Limited	2.43
Total	14.75

Asset breakdown

Asset breakdown	%
European Commercial Paper	30.34
Time Deposit	27.93
Certificates of Deposit	19.95
Floating Rate Notes	20.48
Fixed-Rate Bonds	1.30
Total	100.00

Duration distribution

Duration distribution	%
1 day	0.00
2 - 7 days	35.23
8 - 30 days	12.98
31 - 90 days	35.43
91 - 180 days	7.54
180+ days	8.82
Total	100.00

Statistics

7 day yield (gross)	5.28
WAM (days)	31
Average credit quality	A-1+
Number of holdings	61
Fund size (£ million)	613.57

FUND FACTS

Currency	sterling
Stable NAV/share price	£1
Acc NAV/share price	-
Stable NAV ISIN	IE0032770277
Acc NAV ISIN	-
Launch date	June 2003
Valuation	Daily
Settlement	T+0 Stable NAV
	T+1 Accumulating NAV
Dealing deadline	1.00pm Dublin time/8.00am EST
Fund structure	UCITS
Domicile	Dublin, Ireland
Dividend policy	Declared daily, paid monthly

CONTACT DETAILS

Arjan Hes
+44 (0)20 7425 2204
arjan.hes@morganstanley.com

www.morganstanley.com/liquidity

The Morgan Stanley liquidity website is directed to persons in Ireland and the UK only.

Important Information

For Business and Professional Investors Only and Not To Be Used With The General Public.

All data sourced by Morgan Stanley Investment Management (MSIM).

This financial promotion was issued and approved for use in the UK to those persons who are professional clients and eligible counterparties (as defined in the UK Financial Services Authority's rules) by Morgan Stanley Investment Management Limited, 25 Cabot Square, Canary Wharf, London E14 4QA, authorized and regulated by the Financial Services Authority.

This communication is only intended for and will be only distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations.

Applications for shares in any Morgan Stanley Funds plc fund should not be made without first consulting the current Prospectus, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge at the address above.

The document has been prepared as information for investors and it is not a recommendation to buy or sell any particular security or to adopt any investment strategy. Investors should consult their professional advisers for any advice on whether a course of action is suitable.

Except as otherwise indicated herein, the views and opinions expressed herein are those of Morgan Stanley Investment Management, are based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date hereof.

Risk Warning

Past performance is not a guarantee of future performance. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested.

Changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of his or her investment.

www.morganstanley.com/liquidity

The Morgan Stanley liquidity web site is directed only to persons in Ireland and UK only.