

Global Value Equity Fund

As of 30 April 2002

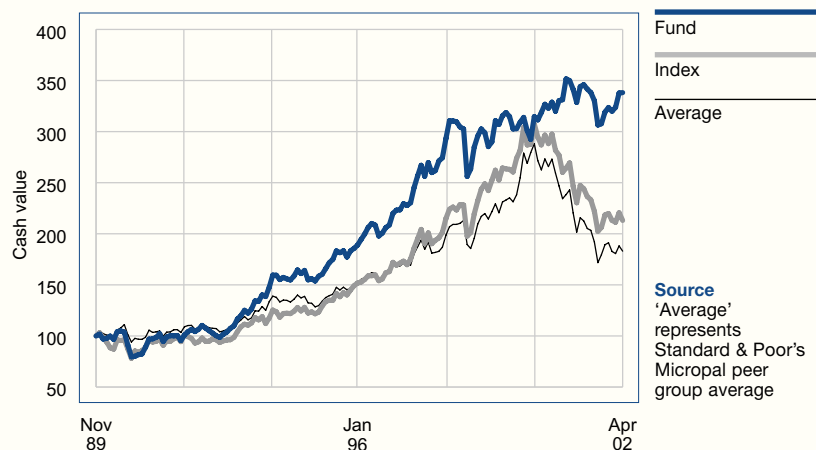
The Fund outperformed the index by 3.52% in April. The Fund's overweight and strong stock selection in consumer staples was a key contributor to performance. The Fund's 5.63% return in consumer staples was assisted by the strong performance of a number of stocks including Cadbury Schweppes, Nestle and Danone. The Fund's long held underweight to Information Technology (6.8% vs 12.3%) continued to be a major contributor. Technology stocks held in the Fund (Motorola, Canon, Samsung, Hitachi and Fujitsu) provided a return of 1.5% compared to a fall in the technology sector of 11.7%. The outlook for equity markets remains uncertain and volatile at this time. Companies have not seen yet clear signs of economic recovery, despite an accommodative monetary policy. In the current environment, we retain our large overweight in Consumer Staples, although we are looking for opportunities to add economic-sensitive stocks to our portfolio. We are already overweight materials, but underweight industrials and technology due to high valuations.

Returns in US dollars vs. MSCI World (Net) Index²

Period	Fund (net of fees) %			Index	Peer group ranking
	Class I	Class A	Class B		
As of 30 April 2002					
Last three months	5.71	5.59	5.33	(0.03)	78/615
YTD 2002	4.49	4.31	3.95	(3.07)	40/611
One year	(1.71)	(2.25)	(3.25)	(13.85)	37/574
Three years (annualised)	2.86	2.27	1.26	(6.69)	27/365
Five years (annualised)	7.98	7.37	6.34	3.98	18/228
Ten years (annualised)	12.25	n/a	n/a	8.50	3/92

Class I shares vs. MSCI World (Net) Index³

Performance of 100 US dollars invested since inception



Facts and figures

As of 30 April 2002

Launch date	November 1989
Fund management team	Frances Campion Paul Boyne Emilio Alvarez
Location	London
Base currency	US dollars
Total assets	\$ 1.3 billion
NAV \$	34.43
NAV €	38.21

Statistics⁴

As of 30 April 2002

	Class I	Index
Alpha	6.47	0.00
Beta	0.51	1.00
R Squared	0.56	1.00
Information ratio	0.98	0.00
Tracking error	10.43	0.00
Standard deviation	10.61	0.00

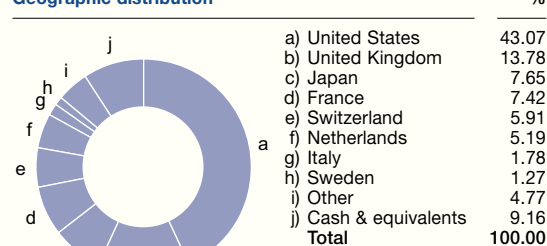
As of 1 April 2002

Portfolio valuations	Class I	Index
P/CF	11.00	13.12
P/BV	2.30	2.71
P/E	26.02	28.46
Yield	2.10	1.70
Number of securities	103	1512

Top 10 holdings

	%
Aventis	2.33
Philip Morris	2.07
Cadbury Schweppes	2.03
Nestle	2.02
Bae Systems	1.94
Pharmacia	1.58
JP Morgan & Chase	1.55
Royal Dutch Petroleum	1.55
Allied Domecq	1.51
WPP	1.50
Total	18.08

Geographic distribution



Fund aim

Using a disciplined value approach we seek to achieve an attractive long term rate of return, measured in US dollars, through investment principally in equity securities of companies listed on the world's Stock Exchanges.

Investment implementation

- We begin with preliminary valuation screens focusing primarily on P/CF, P/FCF and P/BV.
- Our stock selection discipline emphasises comprehensive fundamental analysis to scrutinise securities that pass the initial value screen. We focus on financial structure, management, business franchise, products and strategic value of assets.
- A stock is considered for sale when it reaches fair value as articulated in its research report. This fair value target may be re-appraised as part of the continuous re-evaluation process, or if the stock is close to fair value and a better opportunity is available elsewhere.

² Source: Standard & Poor's Micropal. Peer group rankings refer to Class I.

³ Calculations are NAV to NAV. Performance of the SICAV is calculated net of fees.

⁴ Based on monthly observations over last 3 years, Standard & Poor's Micropal.

Please refer to back cover for important information and risk warnings.

Useful addresses and contacts

www.morganstanley.com/sicav

The Morgan Stanley SICAV website is directed only to persons located in Austria, Germany, Italy, Luxembourg, Spain, Sweden, Switzerland and the United Kingdom.

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The sources for all performance and index data are Standard & Poor's Micropal and Morgan Stanley Investment Management Limited. Performance is quoted net of investment management fees and with income reinvested. Currency conversions by Standard & Poor's Micropal for data after December 1993 have been made according to the 4PM GMT WM Reuters Spot Rate. Prior to the end of December 1993, the rate used was the 4PM GMT NatWest Rate. All Fund performance is shown since first full month after inception of Fund.

Risk warnings

Past performance is not necessarily a guide to future performance and the value of the Shares and income from them may fall as well as rise. On redemption of Shares, an investor may receive back an amount less than the original amount of his investment. The assets of the Funds will be in a variety of currencies and therefore movements in the value of currencies may also affect the value of an investor's holdings. Furthermore, the value of Shares may be adversely affected by fluctuations in exchange rates between the investor's reference currencies and the base currencies of the Funds.

There are special risk considerations associated with investing in:

- 1) Emerging country securities; including (1) restrictions on foreign investment and on repatriation of capital (2) currency fluctuations, (3) potential price volatility and lesser liquidity of shares, (4) political and economic risks, including the risk of nationalisation or expropriation of assets and the risk of war (5) settlement systems may be less well organised and less developed and (6) debt may not be rated by any internationally recognised credit rating organisation.

There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, accounting, auditing, financial and other reporting standards are not equivalent to those of more developed countries, and therefore less information may be available than in more developed countries.

- 2) High yield securities; investment in higher yielding securities is speculative as it generally entails increased credit and market risks. Such securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the issuer and general market liquidity.
- 3) Securities of small capitalisation companies; these securities involve greater risk than large capitalisation companies and the markets for such securities may be more volatile and less liquid.
- 4) Securities of companies engaged in the real estate industry; including the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zonal laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the relevant Fund.

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