

STOCK EXCHANGE			
Regulatory Information Circular			
<b>Circular number:</b>	2008-325	<b>Contact:</b>	Russ Davidson
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**Subject: Morgan Stanley Index-Linked Notes**

**Information on the Notes**

Morgan Stanley (the “Issuer”) has issued Protected Absolute Return Barrier Notes (“Notes”) based on the value of the S&P 500 Index (the “Index”). The Notes were priced at \$10 each and mature on September 20, 2009.

Unlike ordinary debt securities, the Notes do not pay interest. Instead, at maturity the Notes will pay the \$10 stated principal amount of each Note plus a Supplemental Redemption Amount that will be paid only if the value of the Index remains within the Index Range specified below at all times throughout the term of the Notes.

The Supplemental Redemption Amount will equal:

- If at all times during the observation period the value of the Index is within the Index Range:  

$$\$10 \times \text{Absolute Index Return}$$
- If at any time on any day during the observation period the value of the Index is outside the Index Range:  

$$\$0$$

The Index Range includes any value of the Index that is greater than or equal to 1,066.4052 and less than or equal to 1,633.3548.

The Absolute Index Return will equal:

$$\frac{\text{Final Index Value} - \text{Initial Index Value}}{\text{Initial Index Value}}$$

Please see the prospectus for the Notes for more details regarding the calculations.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 9:00 a.m. until 4:00 p.m. Eastern Time. Equity Electronic Access Members ("Equity EAMs") trading the shares during the Pre-Market Session are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Pre-Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Pre-Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Pre-Market hours may be at a disadvantage to market professionals.

Equity EAMs also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

**Appendix A**  
**Exchange-Traded Fund Symbol CUSIP Number**

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP Number</b>
AMK	Morgan Stanley Protected Absolute Return Barrier Notes Based on the Value of the S&P 500 Index	61747W141