

Autocallable Note on FTSE 100, S&P 500 and HSCEI

A MORGAN STANLEY BACKED INVESTMENT OPPORTUNITY

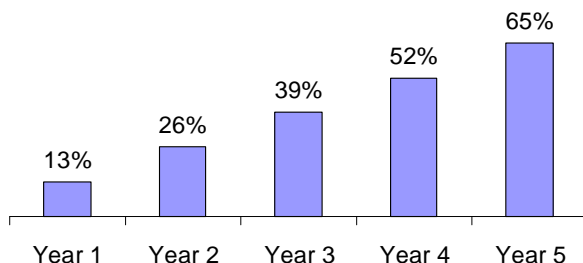
The Autocallable Note is designed for investors who are looking for an attractive fixed capital return based on a slightly positive view on the FTSE 100, S&P 500 and HSCEI indices. On the first anniversary that all the indices are flat or positive, the notes redeem automatically at an attractive preset amount.

The high returns available on this product reflect depressed market values and high market volatility. Investors have this opportunity in exchange for accepting the risk of capital loss. If the note does not redeem automatically, capital is at risk if any of the indices trades at or below 50% of its initial level at any time during the investment term. Available in US Dollars, Sterling or Euro denominations.

BONUS RETURNS

The note accumulates a fixed capital growth amount of 13% each year. If, on any of the anniversary dates, all the indices are at or above their initial levels, the note redeems automatically and investors receive their original investment plus the capital growth accumulated to date.

Automatic Redemption Bonuses



REDEMPTION AT MATURITY

If there is no automatic redemption in years 1 to 5, the repayment at maturity depends on the performance of all the indices. There are two scenarios:

Scenario 1: all the indices have remained above 50% of their initial levels throughout the 5 year term.

- Investors receive 100% of their initial investment

Scenario 2: one of the indices has traded at or below 50% of its initial level, on any day during the investment term

- Capital is at risk. The redemption amount reflects the performance of the worst performing of the three indices. For example, if the worst performing index has fallen by 60% between inception and maturity, investors also suffer a 60% loss and the redemption amount is 40% of the initial investment

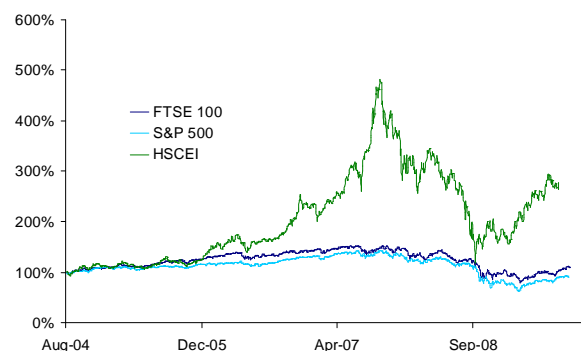
The table shows how the redemption at maturity varies depending on the worst performing of the three indices, and whether any index has ever traded at or below 50% of its initial level.

Performance of Index with Worst Performance (% of initial level)	Redemption at Maturity	
	50% barrier <u>not</u> breached	50% barrier breached
140%	165%	
120%	165%	
100%	165%	
80%	100%	80%
60%	100%	60%
50%	n/a	50%
40%	n/a	40%
20%	n/a	20%
0%	n/a	0%

HISTORICAL PERFORMANCE

The FTSE 100 Index, S&P 500 Index and Hang Seng China Enterprises Index represent the largest companies listed in the UK, USA and China respectively.

5-Year Performance of FTSE 100, S&P 500, HSCEI



Source: Morgan Stanley / Bloomberg, 10 September 2009. Past performance is no guide to future performance.

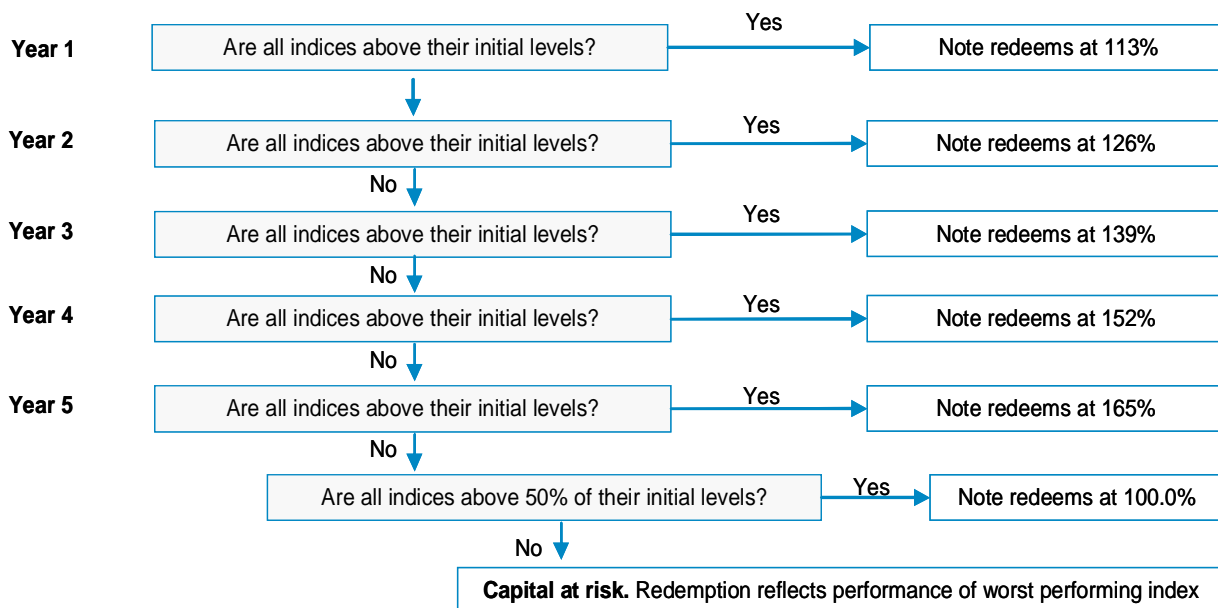
KEY FEATURES

- Four opportunities for early redemption, with attractive annual growth of 13%
- Potentially timely investment opportunity given the current valuation of the FTSE 100, S&P 500 and HSCEI Indices
- Defensive outlook – capital is protected as long as no index has fallen below 50% of its initial level
- There are three versions of this Note, denominated in US Dollars, Sterling and Euros

KEY TERMS

Type	Morgan Stanley Note
ISIN	XS0452748709 – EUR XS0452748881- USD XS0452749004 - GBP
Underlyings	FTSE100 Index S&P 500 Index HSCEI Index
Currency	USD/EUR/GBP
Maturity	5 years
Nominal Size	USD/EUR/GBP 100 ("Par")
Pricing Date	11 November 2009
Issue/Settlement Date	18 November 2009
Anniversary Dates	Year 1: 11 November 2010 Year 2: 11 November 2011 Year 3: 12 November 2012 Year 4: 11 November 2013 Year 5: 11 November 2014
Final Index Level	Index level as of 11 November 2014

PAYOUT DIAGRAM



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INDEPENDENT FINANCIAL SERVICES

INVESTMENT CONSIDERATIONS

- **Credit Risk:** The holder of the Notes will be exposed to the credit risk of the Issuer.
- **Market Risk:** The return on the Notes is linked to the performance of the underlying indices, the future performance of which cannot be guaranteed.
- **Liquidity Risk:** The Notes will not be traded on an organized exchange. Although Morgan Stanley & Co. International plc will use reasonable efforts to quote bid and offer prices (subject to internal policy and applicable laws and regulations), the liquidity of the Notes may be limited.
- **Exit Risk:** The secondary market price of the Notes will depend on many factors, including the value and volatility of the underlying indices, interest rates, the dividend rate on the stocks that comprise the equity index, time remaining to maturity

and the creditworthiness of the Issuer. Prior to maturity, the holder may receive an amount which may be less than the amount the holder would have received on maturity of the Note.

- Interest Risk: Unlike ordinary debt securities, the Notes do not pay interest. The return of the Note will not compensate you for the effects of inflation and other factors relating to the value of money over time.
- The Notes offer partial capital protection. You could lose a portion of your initial investment.
- Investors do not receive any dividends paid to holders of shares in the underlying index.

Potential investors should refer to the principal memorandum and supplemental memorandum for a description of the risk factors associated with this product.

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