

STOCK EXCHANGE			
Regulatory Information Circular			
<b>Circular number:</b>	2009-87	<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 March 20, 2010.

If held to maturity, investors will receive an amount in cash equal to \$10 plus the Supplemental Redemption Amount, if any, calculated as follows:

If at all times during the Observation Period the Index Value is within the Index Range: \$10 times the Absolute Index Return; or

If at any time on any day during the Observation Period the Index Value is outside the Index Range: \$0.

The Index Range is any value of the Index that is:

Greater than or equal to 796.1074; and

Less than or equal to 1,580.3326.

The Supplemental Redemption Amount shall not be less than \$0. The payment at maturity shall not be less than the stated principal amount of \$10. The maximum payment at maturity is \$13.30 per Note.

The Absolute Index Return is calculated as follows:

Absolute value of:  $(\text{Final Index Value} - \text{Initial Index Value}) / \text{Initial Index Value}$

The Initial Index Value is 1,188.22. The Ending Value of the Index will be determined closer to the maturity date.

Please see the prospectus for the Notes for more details regarding the calculations and the mechanics of the Notes.

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.

### **Exchange Rules Applicable to Trading in the Notes**

The Notes are considered equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the Notes on ISE is on a UTP basis and is subject to ISE equity trading rules. The Notes will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Equity EAMs trading the Notes during the Extended Market Sessions 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 Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

ISE will halt trading in the Notes of a Trust in accordance with ISE Rule 2101(a)(2)(iii). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, ISE will stop trading the Shares of a Trust if the primary market de-lists the Shares.

### **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

**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

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP Number</b>
SDG	Morgan Stanley Protected Absolute Return Barrier Notes Based on the Value of the S&P 500 Index	617483888