

STOCK EXCHANGE			
Regulatory Information Circular			
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Subject: Morgan Stanley Protected Absolute Return Barrier Notes

Information on the Notes

Morgan Stanley (the “Issuer”) has issued Protected Absolute Return Barrier Notes (“Notes”) linked to the iShares MSCI EAFE Index Fund (the “Index”). The Notes were priced at \$10.00 per security and mature on December 20, 2008.

The Notes provide principal protection as well as potential appreciation based on the absolute value of the return of the price of shares of the iShares MSCI EAFE Index Fund, subject to a maximum payment at maturity, but the Notes will only pay a return above the principal amount if the share price remains within a specified range over the term of the Notes. Investors who want to capitalize on either positive or negative movements in the closing share price within the specified range can use the Notes to gain such exposure while protecting 100% of their principal at maturity.

At maturity, investors will receive the \$10 stated principal amount plus the supplemental redemption amount (if any).

Supplemental redemption amount:

- If at all times during the observation period the share price times the adjustment factor is within the price range, the supplemental redemption amount is equal to \$10 times the absolute index return; or
- If at any time on any day during the observation period the share price times the adjustment factor is outside the price range, \$0

The price range is any share price that is:

- greater than or equal to: 63.976; and
- less than or equal to: 95.964

The absolute price return is the absolute value of: (final price – initial price) / initial price

The Initial Price of the iShares® MSCI EAFE Index Fund is \$79.97.

The observation period is the period of regular trading hours on each trading day on which there is no market disruption event with respect to the underlying shares, beginning on, and including, the trading day following the pricing date and ending on, and including, the valuation date.

It is expected that the market value of the Notes will depend substantially on the value of 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 yields 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

Ticker	Fund Name	CUSIP Number
EHN	Morgan Stanley Protected Absolute Return Barrier Notes Linked to the iShares MSCI EAFE Index Fund	61747S264