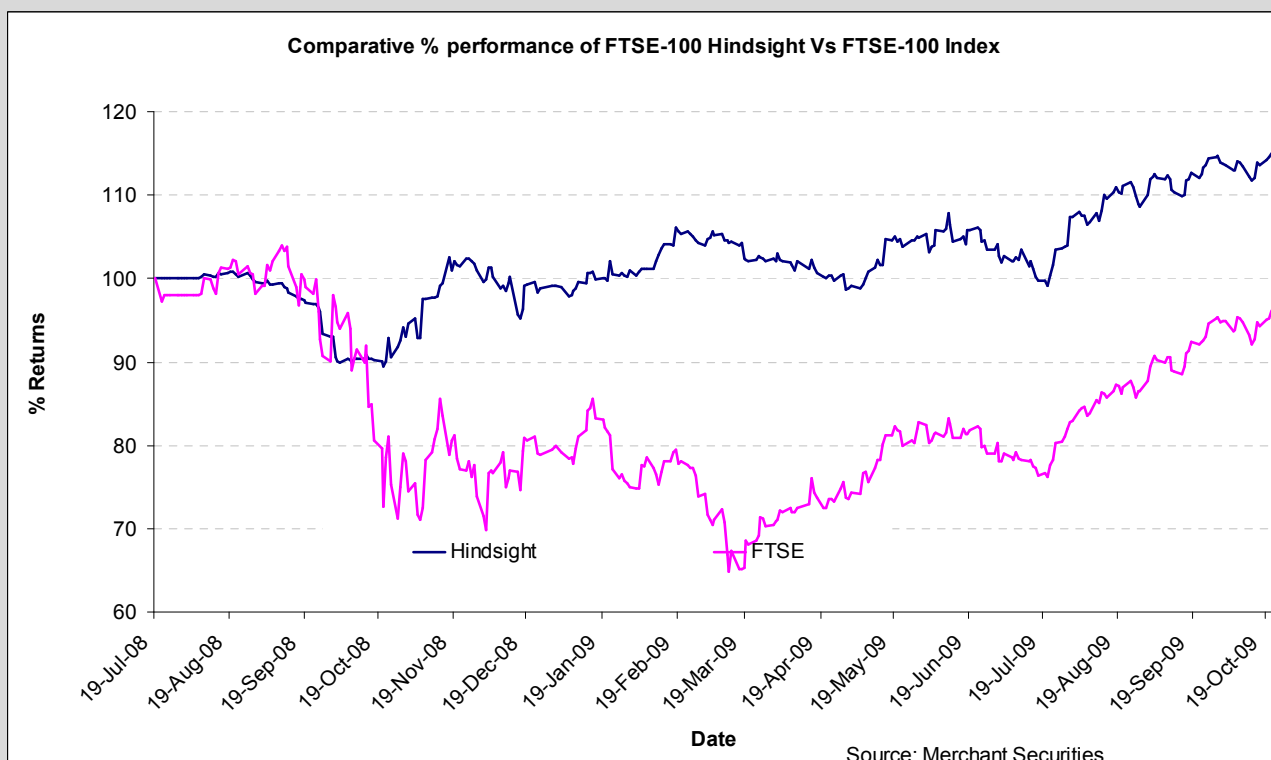


The Merchant Securities FTSE-100 Hindsight Note

Monthly performance bulletin: 22/10/2009

Description	This is a Medium Term Note designed to take advantage of any growth in the FTSE-100 index, while also reducing the risk of timing any investment into this market and providing an element of capital protection.
Investment Objectives	Provides the investor with growth linked to the FTSE-100 index, while offering some protection against any market weakness in the first 12 months, along with capital protection of 90%.
Investment Terms	140% return of the growth of the FTSE 100 index at maturity from the initial strike level, up to a maximum payout of 183%. Initial strike is based on the lowest index closing price taken on 12 monthly observations from 10 th July 2008 through to the 10 th June 2009. 6-year term, with a secondary market provided by the issuer and 90% capital protection at maturity.
Structure	Medium Term Note issued by Morgan Stanley.

Performance



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