



| EDGA & EDGX STOCK EXCHANGES     |               |            |                 |
|---------------------------------|---------------|------------|-----------------|
| Regulatory Information Circular |               |            |                 |
| Circular Number:                | 2010-486      | Contact:   | Jeff Rosenstock |
| Date:                           | July 16, 2010 | Telephone: | (201) 942-8295  |

**Subject: Morgan Stanley Absolute Return Barrier S&P 500 Index**

### **Background Information on the Security**

As more fully set forth in the prospectus supplement, the Absolute Return Barrier Notes are senior unsecured obligations of Morgan Stanley, will pay no interest and have the terms described in the prospectus supplement and the prospectus, as supplemented or modified by these preliminary terms. At maturity, an investor will receive for each \$10 stated principal amount of notes that the investor holds, the \$10 stated principal amount and a return, if any, based on the absolute value of the return of the Index and on whether the Index has remained within the index range at all times during the observation period. The specified range is larger on the upside than on the downside and, accordingly, the maximum payment at maturity on the notes is greater if the Index appreciates than if the Index depreciates from the initial index value. All payments on the notes, including the repayment of principal, are subject to the credit risk of Morgan Stanley.

For additional information regarding the Notes, including the applicable risk factors, please consult the Prospectus Supplement, filed with the Securities and Exchange Commission by Morgan Stanley.

### **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 shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing 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**

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). 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, the Exchanges 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. Members 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>  |
|---------------|---|
| ANG           | Morgan Stanley Absolute Return Barrier Notes due August 20, 2010 Based on the Value of the S&P 500® Index |