



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2010-500	Contact:	Jeff Rosenstock
Date:	July 16, 2010	Telephone:	(201) 942-8295

Subject: Morgan Stanley Capital Protected Notes

Information on the Notes

The EDGA and EDGX exchanges will begin trading Morgan Stanley's Capital Protected Notes Based on the Value of Three Indices. The new securities were issued at \$10 per note and mature on July 20, 2010.

As more fully set forth in the Prospectus Supplement, the aforementioned security will pay no interest and are principal protected. At maturity, the Notes will pay the principal amount of \$10 plus a supplemental redemption amount, if any, based on the increase, if any, in the value of a basket consisting of the Dow Jones EURO STOXX 50 Index, the S&P 500 Index and the Nikkei 225 Index.

The Supplemental Redemption Amount equal:
$$\$10 \times \text{Basket Percentage Change} \times \text{Participation Rate}$$

The Participation Rate: 100%

The Basket Percentage Change equals:
$$\frac{(\text{Final Basket Value} - \text{Initial Basket Value})}{\text{Initial Basket Value}}$$

Initial Index Value: 10

Since all payments, which may be due to holders of **III**, are the sole responsibility of the Issuer, it is the credit of Morgan Stanley that stands behind **III**.

There can be no assurances as to how the Capital Protected Notes will trade in the secondary market or whether such market will be liquid or illiquid. Securities with characteristics similar to the Capital Protected Notes are unique securities, and there is currently no secondary market for the Capital Protected Notes. The market values for the Capital Protected Notes will be affected by a number of factors including, but not limited to, the volatility of the Index Basket, market interest and yield of companies listed in three indices and the time remaining to the maturity of the Capital Protected Notes.

Contact your Tax Advisor for information concerning Taxation.

The Trustee for this security is JP Morgan Chase Bank.

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.

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

Ticker	Fund Name	Cusip
IIL	Morgan Stanley's Capital Protected Notes Based on the Value of Three Indices	61748A494