



BZX Information Circular 11-081
BYX Information Circular 11-081

Date: June 30, 2011

Re: Morgan Stanley S&P 500 Crude Oil Linked Exchange-Traded Notes

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. (the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("Notes")</u>	<u>Symbol</u>
Morgan Stanley S&P 500 Crude Oil Linked Exchange-Traded Notes	BARL

Commencement of Trading on the Exchange: July 1, 2011

Issuer/Trust: Morgan Stanley

Issuer Website: <http://morganstanley.com/etns/mlpy>

Primary Listing Exchange: NYSE Arca

Registration Statement: No. 333-156423

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

Background Information on the Notes

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

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

Morgan Stanley (the "Issuer") has issued Exchange Traded Notes ("ETNs" or "Notes") linked to the performance of the S&P 500 Oil Hedged Index (the "Index"). The maturity date is July 1, 2031.

The Index provides exposure to the S&P 500 Total Return Index and an equal weighted combination of near-term NYMEX West Texas Intermediate (WTI) Sweet Crude and ICE Brent (Brent) Crude Oil futures contracts. A \$100 investment in the ETNs provides a \$100 exposure to the S&P 500 Index and a \$50 exposure to each of the WTI and Brent futures. Each exposure is rebalanced on a monthly basis.

The payment on the ETNs at maturity or call, or upon early repurchase, is linked to the Index closing level and not to the published intraday indicative value of the ETNs. The payment at maturity per ETN will be an amount equal to (i) the product of the principal amount and the Index Performance Ratio as of the Final

Valuation Date, minus (ii) the Tracking Fee as of the Final Valuation Date; provided that the Payment at Maturity shall not be less than zero.

The Index Performance Ratio equals:

$$\text{Index Closing Level} / \text{Index Starting Level}$$

The Final Valuation Date is June 26, 2031. The Tracking Fee Rate is 0.79% per annum.

Investing in the ETNs may result in a significant or complete loss.

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.

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

Trading Hours

The Notes will trade on BATS between 8:00 a.m. and 5:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Information Circular.