



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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Subject: Morgan Stanley Targeted Income Strategic Total Return Securities

Information on the Notes

The EDGA and EDGX exchanges will begin trading Morgan Stanley 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index. 1.5 million units were issued at an offering price of \$10.00 per Security with a maturity date of January 15, 2012.

8% Targeted Income Strategic Total Return Securities will be redeemable quarterly at the option of the holder for an amount of cash based on the CBOE S&P 500 BuyWrite Index. The Securities will pay 8% per annum, payable monthly beginning February 15, 2006.

At maturity, if not previously called by Morgan Stanley, each holder will receive an amount of cash equal to the Net Entitlement Value ("NEV") determined on January 11, 2012. The initial NEV is \$9.88. On any trading day, the NEV will equal the NEV from the previous trading day multiplied by the ratio of the BXM index Value on that trading day minus the Adjustment Amount as of that trading day. The Adjustment Amount is the sum of (i) 8% multiplied by the number of calendar days since the previous trading day divided by 365 plus (ii) 2% multiplied by NEV on the previous trading day multiplied by the number of calendar days since the previous trading day divided by 365.

Beginning December 2008, upon at least 10 but not more than 30 days notice to the holders, the issuers may redeem the Securities for mandatory exchange on any Exchange Date. In addition, prior to December 2008, Morgan Stanley may redeem the Securities for mandatory exchange on any Exchange Date if the NEV equals or is less than \$2.00 on any Trading Day.

Holders have the right to exchange their securities for the Net Entitlement Value on any trading day in any Exchange Period for a cash amount equal to the Net Entitlement Value determined on the last trading day in that Exchange Period (Exchange Valuation Date) plus any accrued and unpaid interim payments. Holders must exchange a minimum of 10,000 units at a time. The Exchange Date is the 5th Trading Day after the last day of an Exchange Period. The Exchange Periods are the first 10 calendar days of each January, April, July, and October, beginning in April 2006, except a holder will not have the right to exchange in January 2012. Any exchange will include interest from and including the last payment date but excluding the Exchange Date.

Unlike ordinary debt securities, the 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index do not guarantee any return of principal at maturity.

There can be no assurances as to how the 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index will trade in the secondary market or whether such market will be liquid or illiquid. Securities with characteristics similar to the 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index are unique securities, and there is currently no secondary market for the 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index.

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

The market value for the 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index will be affected by a number of factors including, but not limited to, the volatility of the S&P 500 Index, the dividend rate on the stocks underlying the S&P 500 Index, market interest and yield and the time remaining to the maturity of the STARS.

Information concerning taxation may be found in the Prospectus.

The Trustee for this security is JPMorgan Chase Bank.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares 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
BWN	Morgan Stanley 8% Targeted Income Strategic Total Return Securities Linked to the CBOE S&P 500 BuyWrite Index	61748A643