Autocallable Note on MSCI Brazil, HSCEI and Eurostoxx 50 (EUR)

A MORGAN STANLEY BACKED INVESTMENT OPPORTUNITY

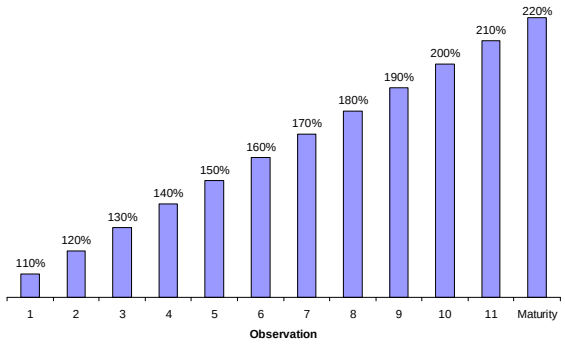
The Autocallable Note is designed for investors who are looking for an attractive fixed capital return based on a slightly positive view on MSCI Brazil, HSCEI and Eurostoxx 50 indices. On the first observation date that all indices are flat or positive, the notes redeem automatically at an attractive preset amount.

The high returns available on this product reflect depressed market values and high market volatility. Investors have this opportunity in exchange for accepting the risk of capital loss. If the note does not redeem automatically, capital is at risk if any of the indices closes at or below 50% of its initial level on the final observation date.

BONUS RETURNS

The note accumulates a fixed capital growth amount of 10% semi annually. If, on any of the observation dates, all of the indices are at or above their initial levels, the note redeems automatically and investors receive their original investment plus the capital growth accumulated to date.

Automatic Redemption Bonuses



REDEMPTION AT MATURITY

If there is no automatic redemption in years 1 to 6, the repayment at maturity depends on the performance of all the indices. There are two scenarios:

Scenario 1: all the indices close above 50% of their initial levels on the final observation date

Investors receive 100% of their initial investment

Scenario 2: one of the indices closes at or below 50% of its initial level, on the final observation date

Capital is at risk on a 1-1 basis if the worst performing index finishes below the initial level. The redemption amount reflects the performance of the worst performing of the three indices. For example, if the worst performing index has fallen by 60% during the life and is at 40% at maturity, investors suffer a 60% loss and the redemption amount is 40% of the initial investment

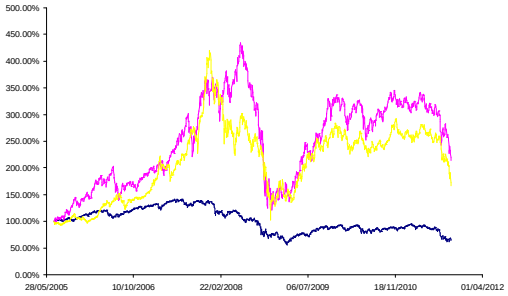
The table shows how the redemption at maturity varies depending on the worst performing of the three indices, and whether any index has on on the final observation date closed at or below 50% of its initial level.

Performance of Index with Worst Performance (% of initial level)	Redemption at Maturity
140%	220%
120%	220%
100%	220%
80%	100%
60%	100%
50%	50%
40%	40%
20%	20%
0%	0%

HISTORICAL PERFORMANCE

The MSCI Brazil, HSCEI and Eurostoxx 50 represent the largest companies listed in Brazil, China and Europe respectively.

6-Year Performance of MSCI Brazil (Pink), HSCEI (Yellow) and Eurostoxx 50 (Blue)



Source: Morgan Stanley / Bloomberg, 4 October 2011. Past performance is no guide to future performance.

KEY FEATURES

- 11 opportunities for early redemption, with attractive semi-annual return of 10%%
- Potentially timely investment opportunity given the relatively low valuation of the MSCI Brazil, HSCEI and Eurostoxx 50 Indices
- Defensive outlook – capital is protected as long as no index has fallen below 50% of its initial level on the final observation date
- Denominated in EUR

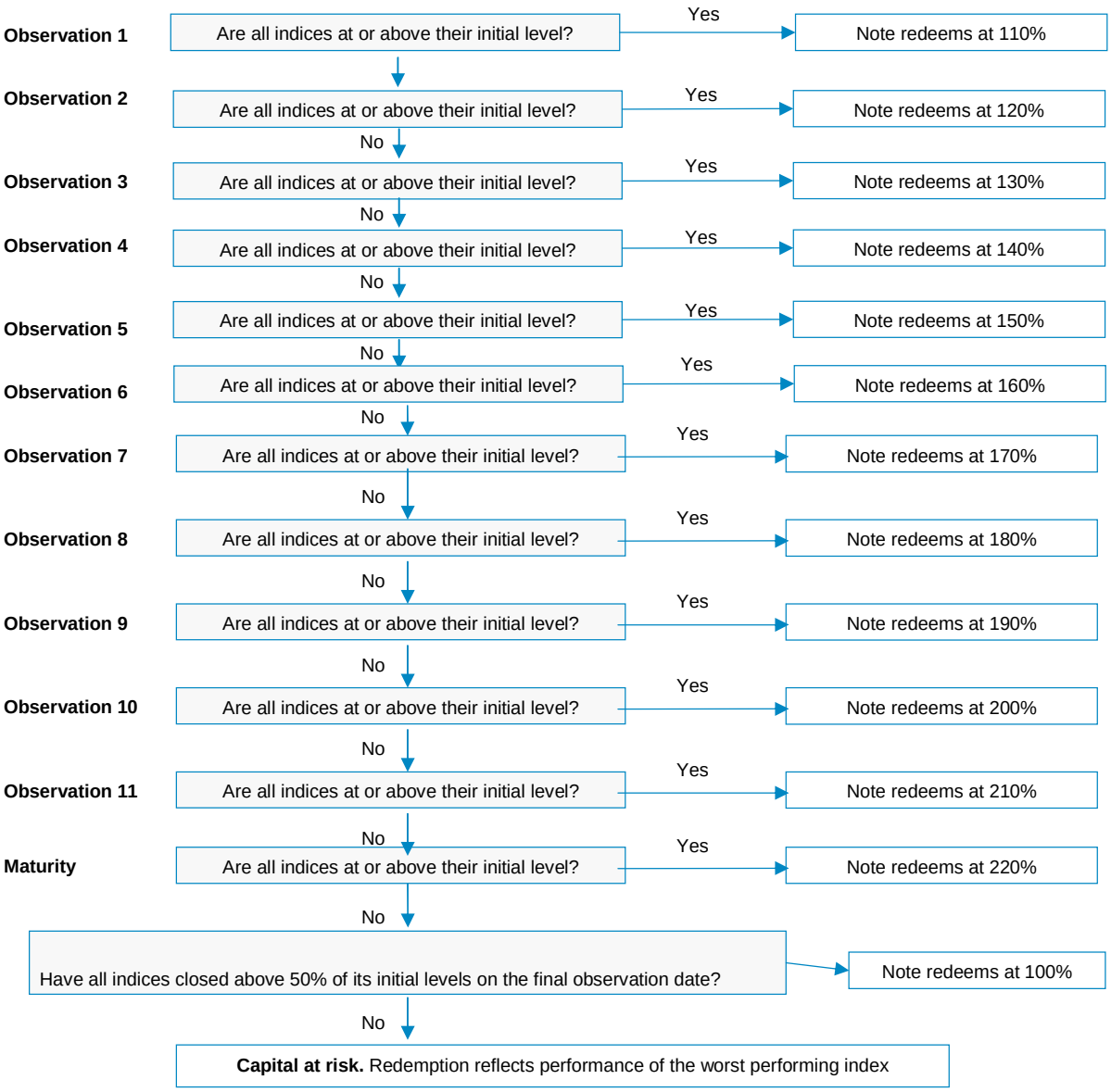
KEY TERMS

Type	Morgan Stanley Note
ISIN	XS0690041727
Underlyings	iShares MSCI Brazil Index Fund (EWZ UP) Hang Seng China Enterprises Index (HSCEI) Eurostoxx (SX5E)
Currency	EUR
Maturity	6 years
Nominal Size	EUR 100 (“Par”)
Pricing Date	28 October 2011
Issue/Settlement Date	4 November 2011
Observation Dates	
Final Index Level	Index level as of 30 October 2017

Observation No.	Observation Date
1	30 April 2012
2	29 October 2012
3	29 April 2013
4	28 October 2013
5	28 April 2014
6	28 October 2014
7	28 April 2015
8	28 October 2015
9	28 April 2016
10	28 October 2016
11	28 April 2017
12	30 October 2017 (Final Determination Date)

For more information, please contact Matthew Robinson: matthew.robinson@morganstanley.com or 0207 425 9658

PAYOUT DIAGRAM



INVESTMENT CONSIDERATIONS

- Credit Risk: The holder of the Notes will be exposed to the credit risk of the Issuer.
- Market Risk: The return on the Notes is linked to the performance of the underlying indices, the future performance of which cannot be guaranteed. In addition, there may be no correlation between economic and population growth in China and the performance of the underlying indices.
- Liquidity Risk: The Notes will not be traded on an organized exchange. Although Morgan Stanley & Co. International plc will use reasonable efforts to quote bid and offer prices (subject to internal policy and applicable laws and regulations), the liquidity of the Notes may be limited.
- Exit Risk: The secondary market price of the Notes will depend on many factors, including the value and volatility of the underlying indices, interest rates, the dividend rate on the stocks that comprise the equity index, time remaining to maturity and the creditworthiness of the Issuer. Prior to maturity, the holder may receive an amount which may be less than the amount the holder would have received on maturity of the Note.
- Interest Risk: Unlike ordinary debt securities, the Notes do not pay interest. The return of the Note will not compensate you for the effects of inflation and other factors relating to the value of money over time.
- The Notes do not offer capital protection.
- Investors do not receive any dividends paid to holders of shares in the underlying index.

Potential investors should refer to the principal memorandum and supplemental memorandum for a description of the risk factors associated with this product.

IMPORTANT INFORMATION

This information is not a termsheet and has been prepared solely for information purposes. It is not an offer or a solicitation to buy or sell the product. This information is for your internal use only and not for further distribution. This communication is a marketing communication; it is not a product of Morgan Stanley's Research Department and should not be regarded as a research recommendation. Unless indicated, these views are the author's and may differ from those of Morgan Stanley research analysts or others in the Firm. Unless stated otherwise, the material contained herein has not been based on a consideration of any individual client circumstances and as such should not be considered to be a personal recommendation. Certain assumptions may have been made in the analysis that resulted in any information and returns/results detailed herein. No representation is made that any returns/results indicated would be achieved or that all assumptions in achieving these returns/results have been considered. Past performance is not necessarily indicative of future results. All prices or values are indicative only, and may vary significantly from executable prices or from prices obtained from elsewhere. Any investment decision should be made only based on the terms of the base prospectus and final terms for the product (if any) (the "Offering Documents"), the terms of which will supersede the terms herein. This information is directed at sophisticated prospective investors in order to assist them in determining whether they have an interest in the type of securities described herein. In the UK it is directed only to those persons who are eligible counterparties or professional clients and must not be acted on or relied upon by retail clients (each as defined in the UK Financial Services Authority's rules). No public offering of the product, or possession or distribution of any offering material in relation thereto, is permitted in any jurisdiction unless in compliance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time including, for the avoidance of doubt, the EU Prospectus Directive (2003/71/EC) and any implementing measures and Regulation S of the United States Securities Act 1933 as amended (the "Securities Act"). The product may not be offered, sold, transferred or delivered directly or indirectly in the United States to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act). No representation or warranty is given with respect to the accuracy or completeness of the information herein. The interests of Morgan Stanley may conflict with the interests of the investors in respect of any matter requiring its consent and Morgan Stanley will not be required to consider the interests of the investors in exercising such rights. Morgan Stanley does not give investment, tax, accounting, legal, regulatory or other advice and nothing in this communication should be viewed as such; prospective investors should consult their own professional advisors.

The Dow Jones Euro STOXX 50® is the intellectual property (including registered trademarks) of Stoxx Limited, Zurich, Switzerland and/or Dow Jones & Company, Inc., a Delaware corporation, New York, USA, (the "Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by the Licensors and neither of the Licensors shall have any liability with respect thereto

The Hang Seng Index Index (the "Index") is published and compiled by HSI Services Limited pursuant to a licence from Hang Seng Data Services Limited. The mark and name Hang Seng Index are proprietary to Hang Seng Data Services Limited. HSI Services Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Index by Morgan Stanley in connection with the 6-year Equity linked note linked a basket of Indices (the "Product"), but neither HSI Services Limited nor Hang Seng Data Services Limited warrants or represents or guarantees to any broker or holder of the Product or any other person the accuracy or completeness of any of the Index and its computation or any information related thereto and no warranty or representation or guarantee of any kind whatsoever relating to any of the Index is given or may be implied. The process and basis of computation and compilation of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI Services Limited without notice. No responsibility or liability is accepted by HSI Services Limited or Hang Seng Data Services Limited in respect of the use of and/or reference to the Index by Morgan Stanley in connection with the Product, or for any inaccuracies, omissions, mistakes or errors of HSI Services Limited in the computation of the Index or for any economic or other loss which may be directly or indirectly sustained by any broker or holder of the Product or any other person dealing with the Product as a result thereof and no claims, actions or legal proceedings may be brought against HSI Services Limited and/or Hang Seng Data Services Limited in connection with the Product in any manner whatsoever by any broker, holder or other person dealing with the Product. Any broker, holder or other person dealing with the Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSI Services Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSI Services Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship

© Copyright 2011 Morgan Stanley.