CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*Am*
Senior Fixed to Floating Rate Conversion Notes due 2031	$1,000,000	

Morgan Stanley

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INTEREST RATE STRUCTURED INVESTMENTS

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031

Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

As further described below, interest will accrue quarterly on the notes at a rate of (i) Years 1 to 4: 6.50% per annum
maturity (the "floating interest rate period"): at the rates per annum specified below for each day that the closing lev
is greater than or equal to 1,050. The notes provide investors with the opportunity to earn interest at an above-mark
taking the risk of receiving no interest with respect to any day on which the underlying equity index level is below th
during the floating interest rate period. Beginning March 22, 2015, and quarterly thereafter, we may elect to exercis
right to convert the notes so that, for each interest payment following the conversion date, the notes will pay interes
of 6.50% per annum instead of paying the floating interest rate based on the performance of the S&P 500® Index.
notes, including the repayment of principal, are subject to the credit risk of Morgan Stanley.

FINAL TERMS

General provisions

Issuer:	Morgan Stanley
CUSIP / ISIN:	61745E5X5/US61745E5X54
Aggregate principal amount:	$1,000,000. May be increased prior to the original issue date but we are not rec
Issue price:	$1,000 per note
Stated principal amount:	$1,000 per note
Pricing date:	March 2, 2011
Original issue date:	March 22, 2011 (14 business days after the pricing date)
Maturity date:	March 22, 2031
Interest accrual date:	March 22, 2011
Payment at maturity:	The payment at maturity per note will be the stated principal amount *plus* accrue any.

Interest rate provisions

Interest:

Original issue date to but excluding March 22, 2015: 6.50% per annum

March 22, 2015 to but excluding the maturity date (the "floating interest rate peri

a) If we ***have not*** elected to exercise our coupon conversion right, the floating below:

March 22, 2015 to but excluding March 22, 2019: 7.50% per annum *times* N
March 22, 2019 to but excluding March 22, 2023: 8.00% per annum *times* N
March 22, 2023 to but excluding March 22, 2027: 9.00% per annum *times* N
March 22, 2027 to but excluding the maturity date: 10.00% per annum *time*

where,

"N" = the total number of calendar days in the applicable interest payment p closing value is greater than or equal to the index reference level (each such and

"ACT" = the total number of calendar days in the applicable interest paymen

If on any calendar day in the floating interest rate period the index clos the index reference level, interest will accrue at a rate of 0.00% per ann possible that you could receive no interest on the notes for extended p were to remain below the index reference level.

b) If we ***have*** elected to exercise our coupon conversion right, the fixed interes annum.

If we decide to exercise our coupon conversion right, we will give you notice days before the conversion date. Our election to exercise the coupon conve

Interest payment dates:	Each March 22, June 22, September 22 and December 22, beginning June 22, such day is not a business day, that interest payment will be made on the next s and no adjustment will be made to any interest payment made on that succeedi		
Interest payment period:	Quarterly	**Interest payment period end dates:**	Unadj
Index:	The S&P 500® Index		
Index closing value:	The daily closing value of the index. Please see "Additional Provisions—The S&		
Index reference level:	1,050		
Agent:	Morgan Stanley & Co. Incorporated ("MS & Co."), a wholly owned subsidiary of "Supplemental Information Concerning Plan of Distribution; Conflicts of Interest.		

Terms continue

Commissions and Issue Price:	**Price to Public**	**Agent's Commissions**(1)	**P**
Per Note	100%	3.5%	
Total	$1,000,000	$35,000	

(1) Selected dealers, including Morgan Stanley Smith Barney LLC (an affiliate of the Agent), and their financial advisors will collectively recei fixed sales commission of 3.5% for each note they sell. See "Supplemental Information Concerning Plan of Distribution; Conflicts of Interest "Plan of Distribution" in the accompanying prospectus supplement.

The notes involve risks not associated with an investment in ordinary debt securities. See "Risk Factors"

The Securities and Exchange Commission and state securities regulators have not approved or disapprove determined if this pricing supplement or the accompanying prospectus supplement and prospectus is trutl representation to the contrary is a criminal offense.

You should read this document together with the related prospectus supplement and prospectus, each of via the hyperlinks below.

Prospectus Supplement dated December 23, 2008 Prospectus dated December 23, 2

The notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corpo governmental agency, nor are they obligations of, or guaranteed by, a bank.

Terms continued from the previous page:

Day-count convention:	Actual/Actual
Index cutoff:	Floating interest rate period: The index closing value for any day from and incluc business day prior to the related interest payment date for any interest payment closing value on such fifth index business day prior to such interest payment dat
Coupon conversion:	On each conversion date, we may elect to convert the notes in whole, and not ir paying the floating interest rate, we will pay the fixed interest rate on each intere the conversion date. If we decide to exercise the coupon conversion right, we w business days notice before the conversion date. Upon a coupon conversion, tl payable on the notes will be fixed and will no longer be based on the performanc
Conversion date:	Each March 22, June 22, September 22, December 22, beginning March 22, 20
Miscellaneous provisions	
Calculation agent:	Morgan Stanley Capital Services Inc.
Trustee:	The Bank of New York Mellon
Early redemption:	Not applicable
Specified currency:	U.S. dollars
Book-entry or certificated note:	Book-entry
Business day:	New York

March 2011

The Notes

The notes are debt securities of Morgan Stanley. In years 1 to 4, the notes pay interest at a rate of 6.50% per annu 2015, if we have not exercised our coupon conversion right, interest will accrue on the notes for each day that the c 500® Index is greater than or equal to 1,050. We describe the basic features of these notes in the sections of the a called "Description of Debt Securities—Floating Rate Debt Securities" and prospectus supplement called "Descripti and as modified by the provisions described below. All payments on the notes are subject to the credit risk of Morga

On each conversion date beginning on March 22, 2015, we may elect to exercise our coupon conversion right to co for each interest payment following the conversion date, the notes will pay interest quarterly at a fixed rate of 6.50% paying the floating interest rate based on the performance of the S&P 500® Index.

The stated principal amount and issue price of each note is $1,000. The issue price of the notes includes the agent respect to the notes as well as the cost of hedging our obligations under the notes. The cost of hedging includes th subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transactions. Th be significant due to the term of the notes and the tailored exposure provided by the notes. The secondary market & Co. is willing to purchase the notes is expected to be affected adversely by the inclusion of these commissions an issue price. In addition, the secondary market price may be lower due to the costs of unwinding the related hedging of the secondary market transaction. See "Risk Factors—Market Risk—The inclusion of commissions and projecte the original issue price is likely to adversely affect secondary market prices."

Additional Provisions

The S&P 500® Index

The S&P 500® Index (the "index" or the "S&P 500 Index"), which is calculated, maintained and published by Standa Services LLC, an affiliate of The McGraw-Hill Companies, Inc. ("S&P" or the "index publisher"), consists of 500 com provide a performance benchmark for the U.S. equity markets. The calculation of the index is based on the relative adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to t market capitalization of the 500 similar companies during the base period of the years 1941 through 1943. The ind "Annex A—The S&P 500® Index" herein.

Index Closing Value

The index closing value on any calendar day during the floating interest rate period (each, an "index determination official closing value of the index as published by the index publisher or its successor, or in the case of any success

closing value for such successor index as published by the index publisher or its successor, at the regular weekday
calendar day, as determined by the calculation agent; *provided* that the index closing value for any day from and in
business day prior to the related interest payment date for any interest payment period shall be the index closing va
index business day prior to such interest payment date; *provided* further that if a market disruption event with respe
any index determination date or if any such index determination date is not an index business day, the closing valu
index determination date will be the closing value of the index on the immediately preceding index business day on
disruption event has occurred. In certain circumstances, the index closing value shall be based on the alternate ca
described under "Annex A—The S&P 500® Index—Discontinuance of the S&P 500 Index; Alteration of Method of C

"Index business day" means a day, as determined by the calculation agent, on which trading is generally conducted
exchange(s) for the index, other than a day on which trading on such exchange(s) is scheduled to close prior to the
regular final weekday closing price.

"Relevant exchange" means the primary exchange(s) or market(s) of trading for (i) any security then included in the
index, and (ii) any futures or options contracts related to the index or to any security then included in the index.

For more information regarding market disruption events with respect to the index, discontinuance of the index and
the method of calculation, see "Annex A—The S&P 500® Index—Market Disruption Event" and "—Discontinuance c
Alteration of Method of Calculation" herein.

March 2011

Hypothetical Examples

The table below presents examples of hypothetical interest rates at which interest would accrue on the notes durin floating interest rate period, based on the total number ("N") of calendar days in a quarterly interest payment period index closing value is greater than or equal to the index reference level. For illustrative purposes, the table assume exercised our coupon conversion right, the interest payment period contains 90 calendar days and an interest rate

The example below is for purposes of illustration only and would provide different results if different assumptions w quarterly interest payments will depend on the interest rate applicable to the particular interest payment period, the calendar days in such interest payment period and the actual index closing value on each day in such interest payn applicable interest rate for each quarterly interest payment period will be determined on a per-annum basis but will payment period.

N	Hypothetical Interest Rate
0	0.0000%
15	1.3333%
25	2.2222%
30	2.6667%
50	4.4444%
60	5.3333%
75	6.6667%
90	8.0000%

During the floating interest rate period, if the S&P 500® index level is less than the index reference level on that day interest for that day, and if the index level remains below the index reference level for each day in the applicable int you will receive no interest for that interest payment period.

In addition, whether you receive the floating interest rate after March 22, 2015 depends on whether we elect to exe conversion right. It is more likely that we exercise our coupon conversion right and pay the fixed interest rate to the index level is greater than or equal to the index reference level and the amount of interest payable on the notes is c the fixed interest rate for the remainder of the term of the notes. See "Risk Factors—Yield Risk" on page 7.

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031

Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

Historical Information

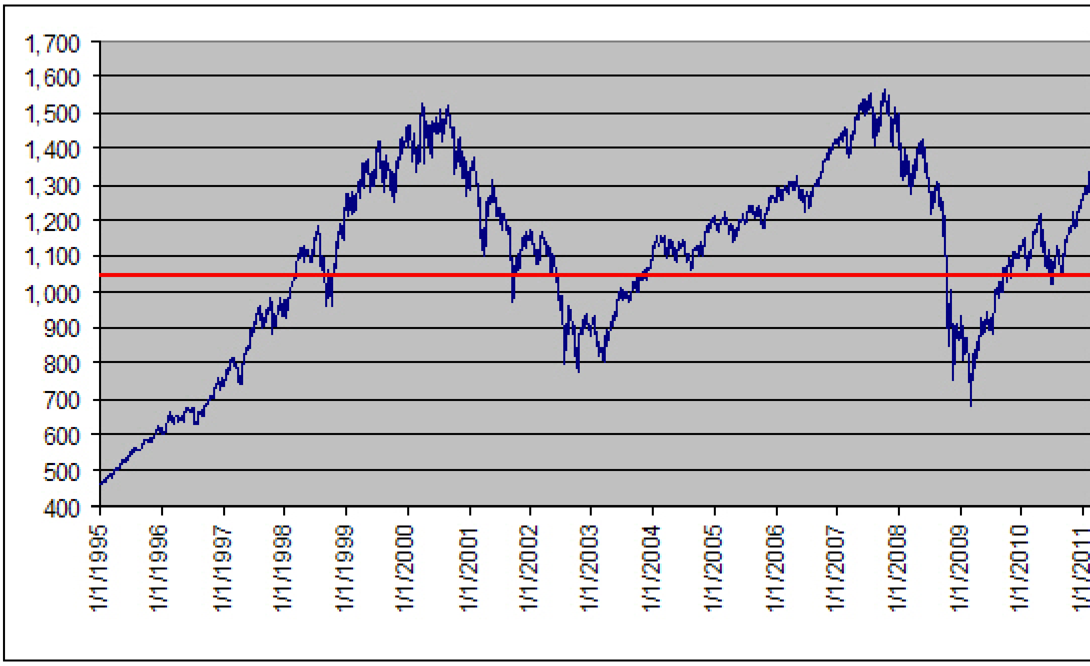
The following table sets forth the published high and low, as well as end-of-quarter, index closing values for each q
January 1, 2006 through March 2, 2011. The graph following the table sets forth the daily closing values of the ind
January 1, 1995 through March 2, 2011. The closing value of the index on March 2, 2011 was 1,308.44. The histo
should not be taken as an indication of future performance, and no assurance can be given that the level of the ind
equal to the index reference level on any day of any interest payment period during the floating interest rate period.
dividends on the stocks that constitute the index is not reflected in its level and has no effect on the calculation of th
interest. We obtained the information in the graph below from Bloomberg Financial Markets, without independent v

S&P 500® Index	High	Low
2006		
First Quarter	1,307.25	1,254.78
Second Quarter	1,325.76	1,223.69
Third Quarter	1,339.15	1,234.49
Fourth Quarter	1,427.09	1,331.32
2007		
First Quarter	1,459.68	1,374.12
Second Quarter	1,539.18	1,424.55
Third Quarter	1,553.08	1,406.70
Fourth Quarter	1,565.15	1,407.22
2008		
First Quarter	1,447.16	1,273.37
Second Quarter	1,426.63	1,278.38
Third Quarter	1,305.32	1,106.39
Fourth Quarter	1,161.06	752.44
2009		
First Quarter	934.70	676.53
Second Quarter	946.21	811.08
Third Quarter	1,071.66	879.13
Fourth Quarter	1,127.78	1,025.21
2010		
First Quarter	1,174.17	1,056.74
Second Quarter	1,217.28	1,030.71
Third Quarter	1,127.79	1,022.58
Fourth Quarter	1,259.78	1,137.03

2011		
First Quarter (through March 2, 2011)	1,343.01	1,269.75
March 2011		

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031

Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right



***The bold line in the graph above represents the index reference level of 1,050.**

Historical period	
Total number of days in the historical period, beginning on March 3, 1998**	4,748
Number of days on or after March 3, 1998 that the index was greater than or equal to 1,050	3,789
Number of days on or after March 3, 1998 that the index was less than 1,050	959

** From the inception of the S&P 500 index until March 3, 1998, its closing value was less than

March 2011

Risk Factors

The notes involve risks not associated with an investment in ordinary floating rate notes. An investment in the note not associated with similar investments in a conventional debt security, including, but not limited to, fluctuations of t events that are difficult to predict and beyond the issuer's control. This section describes the most significant risks a complete list of risk factors, please see the accompanying prospectus supplement and the accompanying prospe

Yield Risk

- **If there are no accrual days in any interest payment period during the floating interest rate period, we on the notes for that interest payment period and the market value of the notes may decrease significa** the index closing value will be less than the index reference level for so many days during any quarterly intere the floating interest rate period that the interest payment for that quarterly interest payment period will be less would be paid on an ordinary debt security. It is also possible that the index level could remain below the inde extended periods or even for the entire floating interest rate period of the notes so that you will receive no qua payments. To the extent that the index closing value is less than the index reference level during the floating market value of the notes may decrease and you may receive substantially less than 100% of the issue price notes at such time.

- **The index closing value for any day from and including the fifth index business day prior to the intere interest payment period during the floating interest rate period will be the index closing value for such day.** Because the index closing value for any day from and including the fifth index business day prior to the i an interest payment period during the floating interest rate period will be the index closing value on such fifth i index closing value for that index business day is less than the index reference level, you will not receive any days on or after that fifth index business day to but excluding the interest payment date even if the index closi calculated on any of those days were to be greater than or equal to the index reference level.

- **The historical performance of the index is not an indication of future performance.** Historical performan be taken as an indication of its future performance during the term of the notes. Decreases in the levels of the affect the trading price of the notes. It is possible that the index level will decline below the index reference le level for significant periods.

- **The issuer has the right to convert the notes to a fixed interest rate.** Beginning on March 22, 2015 and o have the sole right to decide whether to exercise our coupon conversion right and our decision may depend o S&P 500® Index and the movements in market interest rates compared to the fixed interest rate that would ap exercised our coupon conversion right. We are more likely to exercise our coupon conversion right and pay t floating interest has been and is likely to be greater than the fixed interest rate for the remainder of the term o exercise our conversion coupon right, you would not receive the potentially higher floating interest rates for th notes and the value of the notes would likely decline as a result.

Issuer Risk

- **Investors are subject to our credit risk, and any actual or anticipated changes to our credit ratings or c adversely affect the market value of the notes.** Investors are dependent on our ability to pay all amounts d interest payment dates and at maturity and therefore investors are subject to our credit risk. The notes are no other entity. If we default on our obligations under the notes, your investment would be at risk and you could lo investment. As a result, the market value of the notes prior to maturity will be affected by changes in the mark creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charg taking our credit risk is likely to adversely affect the value of the notes.

Market Risk

- **The price at which the notes may be sold prior to maturity will depend on a number of factors and may than the amount for which they were originally purchased.** Some of these factors include, but are not lim level of the index closing value, (ii) volatility of the index, (iii) changes in interest and yield rates, (iv) geopolitic economic, financial, political and regulatory or judicial events that affect the securities underlying the index, or and that may affect the index, (v) any actual or anticipated changes in our credit ratings or credit spreads, and maturity. Generally, the longer the time remaining to maturity and the more tailored the exposure, the more th notes will be affected by the other factors described in the preceding sentence. This can lead to significant ad market price of securities like the notes. Primarily, if the index closing value is less than the index reference le interest rate period, the market value of the notes is expected to decrease and you may receive substantially issue price if you sell your notes at such time.

- **The inclusion of commissions and projected profit from hedging in the original issue price is likely to secondary market prices.** Assuming no change in market conditions or any other relevant factors, the price Co. is willing to purchase the notes at any time in secondary market transactions will likely be significantly low price, since secondary market prices are likely to exclude commissions paid with respect to the notes and the obligations under the notes that will be included in the original issue price. The cost of hedging includes the p subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transaction market prices are also likely to be reduced by the costs of unwinding the related hedging transactions. Due to and the tailored exposure provided by the notes, the cost of entering into and unwinding the hedging transacti significant. In addition, any secondary market prices may differ from values determined by pricing models use result of dealer discounts, mark-ups or other transaction costs.

Liquidity Risk

- **The notes will not be listed on any securities exchange and secondary trading may be limited.** The no any securities exchange. Therefore, there may be little or no secondary market for the notes. MS & Co. may make a market in the notes. Even if there is a secondary market, it may not provide enough liquidity to allow notes easily. Because we do not expect that other broker-dealers will participate significantly in the secondar the price at which you may be able to trade your notes is likely to depend on the price, if any, at which MS & C If at any time MS & Co. were not to make a market in the notes, it is likely that there would be no secondary m Accordingly, you should be willing to hold your notes to maturity.

Conflicts of Interest

- **The issuer, its subsidiaries or affiliates may publish research that could affect the market value of the**

expect to hedge the issuer's obligations under the notes. The issuer or one or more of its affiliates may, publish research reports with respect to movements in interest rates generally, the index and on each of the c the index. This research is modified from time to time without notice and may express opinions or provide rec inconsistent with purchasing or holding the notes. Any of these activities may adversely affect the market valu addition, the issuer's subsidiaries expect to hedge the issuer's obligations under the notes and they may reali expected hedging activity even if investors do not receive a favorable investment return under the terms of the secondary market transaction.

- **The calculation agent, which is a subsidiary of the issuer, will make determinations with respect to th** determinations made by the calculation agent may adversely affect the payout to investors. Determinations m agent, including with respect to the index closing value, the occurrence or non-occurrence of market disruptio selection of a successor index or calculation of the index closing value in the event of a market disruption eve the index, may adversely affect the payout to you on the notes. See "Annex A—The S&P 500® Index—Marke "—Discontinuance of the S&P 500 Index; Alteration of Method of Calculation."

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031
Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

Index Specific Risk Factors

- **Adjustments to the index could adversely affect the value of the notes.** The publisher of the index car the stocks underlying the index, and can make other methodological changes required by certain events stocks, such as stock dividends, stock splits, spin-offs, rights offerings and extraordinary dividends, that coul index. Any of these actions could adversely affect the value of the notes. The publisher of the index ma calculation or publication of the index at any time. In these circumstances, the calculation agent will ha substitute a successor index that is comparable to the discontinued index. The calculation agent could have is different than that of investors in the notes insofar as, for example, the calculation agent is permitted to calculated and published by the calculation agent or any of its affiliates. If the calculation agent determines th successor index, on any day on which the index closing value is to be determined, the index closing value f on the stocks underlying the discontinued index at the time of such discontinuance, without rebalancing or the calculation agent, in accordance with the formula for calculating the index closing value last in effect pric index.

- **You have no shareholder rights.** As an investor in the notes, you will not have voting rights, rights to r distributions or any other rights with respect to the stocks that underlie the index.

- **Investing in the notes is not equivalent to investing in the index or the stocks underlying the index.** Ir equivalent to investing in the index or its component stocks.

- **Hedging and trading activity by our subsidiaries could potentially adversely affect the value of the ir** subsidiaries expect to carry out hedging activities related to the notes (and possibly to other instruments component stocks), including trading in the stocks underlying the index as well as in other instruments relat our subsidiaries also trade in the stocks underlying the index and other financial instruments related to the ir part of their general broker-dealer and other businesses. Any of these hedging or trading activities during th potentially decrease the index closing value during the floating interest rate period, thus increasing the risk tl on each day during the floating interest rate period.

Supplemental Information Concerning Plan of Distribution; Conflicts of Ir

We expect to deliver the notes against payment therefor in New York, New York on March 22, 2011, which will be t scheduled business day following the date of the pricing of the notes. Under Rule 15c6-1 of the Exchange Act, trac market generally are required to settle in three business days, unless the parties to any such trade expressly agree purchasers who wish to trade notes on the date of pricing or on or prior to the third business day prior to the origina required to specify alternative settlement arrangements to prevent a failed settlement.

The agent may distribute the notes through Morgan Stanley Smith Barney LLC (“MSSB”), as selected dealer, or oth include Morgan Stanley & Co. International plc ("MSIP") and Bank Morgan Stanley AG. MSSB, MSIP and Bank Mo affiliates of Morgan Stanley. Selected dealers, including MSSB, and their financial advisors will collectively receive Co., a fixed sales commission of 3.5% for each note they sell.

MS & Co. is our wholly-owned subsidiary. MS & Co. will conduct this offering in compliance with the requirements o the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA mem the securities of an affiliate and related conflicts of interest. MS & Co. or any of our other affiliates may not make sa discretionary account.

March 2011

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031

Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

Tax Considerations

The notes will be treated as "contingent payment debt instruments" for U.S. federal income tax purposes, as descri
accompanying prospectus supplement called "United States Federal Taxation — Tax Consequences to U.S. Holde
Exchangeable Notes." Under this treatment, if you are a U.S. taxable investor, you generally will be subject to annu
the "comparable yield" (as defined in the accompanying prospectus supplement) of the notes, adjusted upward or d
difference, if any, between the actual and the projected amount of any contingent payments on the notes. In additio
by U.S. taxable investors on the sale or exchange, or at maturity, of the notes generally will be treated as ordinary i
determined that the "comparable yield" is a rate of 5.876% per annum, compounded quarterly. For the projected pa
respect to a note, please contact Interest Rate Structured Investments at 212-761-2904.

**The comparable yield and the projected payment schedule will not be provided for any purpose other than
U.S. Holders' accruals of original issue discount and adjustments in respect of the notes, and we make no
regarding the actual amounts of payments that will be made on a note.**

**If you are a non-U.S. investor, please also read the section of the accompanying prospectus supplement ca
Federal Taxation — Tax Consequences to Non-U.S. Holders."**

**You should consult your tax advisers regarding all aspects of the U.S. federal income tax consequences of
notes as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdicti**

Contact Information

Morgan Stanley Smith Barney clients may contact their local Morgan Stanley Smith Barney branch office or our prin
1585 Broadway, New York, New York 10036 (telephone number (866) 477-4776). All other clients may contact the
representative. Third-party distributors may contact Morgan Stanley Structured Investment Sales at (800) 233-108

March 2011

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031
Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

Where You Can Find More Information

Morgan Stanley has filed a registration statement (including a prospectus, as supplemented by a prospectus supple
and Exchange Commission, or SEC, for the offering to which this pricing supplement relates. You should read the
registration statement, the prospectus supplement and any other documents relating to this offering that Morgan St
SEC for more complete information about Morgan Stanley and this offering. You may get these documents withou
on the SEC web site at.www.sec.gov. Alternatively, Morgan Stanley will arrange to send you the prospectus and th
if you so request by calling toll-free 800-584-6837.

You may access these documents on the SEC web site at.www.sec.gov as follows:

Prospectus Supplement dated December 23, 2008
Prospectus dated December 23, 2008

Terms used in this pricing supplement are defined in the prospectus supplement or in the prospectus. As used in t
the "Company," "we," "us" and "our" refer to Morgan Stanley.

March 2011

Annex A—The S&P 500® Index

The S&P 500® Index was developed by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., and is
and published by Standard & Poor's Financial Services LLC, which we refer to as S&P.

The S&P 500® Index is intended to provide a performance benchmark for the U.S. equity markets. The calculation
500® Index (discussed below in further detail) is based on the relative value of the aggregate Market Value (as defi
common stocks of 500 companies (the "S&P 500 Component Stocks") as of a particular time as compared to the a
Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. The
S&P 500 Component Stock is the product of the market price per share and the number of the then outstanding sh
Component Stock. The 500 companies are not the 500 largest companies listed on the New York Stock Exchange
companies are listed on such exchange. S&P chooses companies for inclusion in the S&P 500® Index with an aim
distribution by broad industry groupings that approximates the distribution of these groupings in the common stock
equity market. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the
achieve the objectives stated above. Relevant criteria employed by S&P include the viability of the particular comp
that company represents the industry group to which it is assigned, the extent to which the company's common sto
Market Value and trading activity of the common stock of that company.

The S&P 500® Index and S&P's other U.S. indices moved to a float adjustment methodology in 2005 so that the in
shares that are generally available to investors in the market rather than all of a company's outstanding shares. Fl
shares that are closely held by other publicly traded companies, venture capital firms, private equity firms, strategic
buyout groups; government entities; or other control groups, such as a company's own current or former officers, b
employee stock ownership plans or other investment vehicles controlled by the company or such other persons.

The S&P 500® Index is calculated using a base-weighted aggregate methodology: the level of the S&P 500® Index
Value of all 500 S&P 500 Component Stocks relative to the S&P 500® Index's base period of 1941-43 (the "Base P
number is used to represent the results of this calculation in order to make the value easier to work with and track
Market Value of the S&P 500 Component Stocks during the Base Period has been set equal to an indexed value o
indicated by the notation 1941-43=10. In practice, the daily calculation of the S&P 500® Index is computed by divi
of the S&P 500 Component Stocks by a number called the "S&P 500 Index Divisor." By itself, the S&P 500 Index D
number. However, in the context of the calculation of the S&P 500® Index, it is the only link to the original base pe
500® Index. The S&P 500 Index Divisor keeps the S&P 500® Index comparable over time and is the manipulation
to the S&P 500® Index ("S&P 500 Index Maintenance").

S&P 500 Index Maintenance includes monitoring and completing the adjustments for company additions and deleti
stock splits, stock dividends, and stock price adjustments due to company restructurings or spinoffs.

To prevent the value of the S&P 500® Index from changing due to corporate actions, all corporate actions which af
of the S&P 500® Index require a S&P 500 Index Divisor adjustment. By adjusting the S&P 500 Index Divisor for th
Value, the value of the S&P 500® Index remains constant. This helps maintain the value of the S&P 500® Index as
stock market performance and ensures that the movement of the S&P 500® Index does not reflect the corporate a
companies in the S&P 500® Index. All S&P 500 Index Divisor adjustments are made after the close of trading and
closing value of the S&P 500® Index. Some corporate actions, such as stock splits and stock dividends, require si

common shares outstanding and the stock prices of the companies in the S&P 500® Index and do not require S&P adjustments.

March 2011

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031
Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

The table below summarizes the types of S&P 500 Index maintenance adjustments and indicates whether or not a adjustment is required:

Type of Corporate Action	Adjustment Factor	Div Adjus Req
Stock split (e.g., 2-for-1)	Shares Outstanding multiplied by 2; Stock Price divided by 2	N
Share issuance (i.e., change ≥ 5%)	Shares Outstanding plus newly issued Shares	Y
Share repurchase (i.e., change ≥ 5%)	Shares Outstanding minus Repurchased Shares	Y
Special cash dividends	Share Price minus Special Dividend	Y
Company Change	Add new company Market Value minus old company Market Value	Y
Rights Offering	Price of parent company minus Price of Rights Right Ratio	Y
Spin-Off	Price of parent company minus Price of Spinoff Co. Share Exchange Ratio	Y

Stock splits and stock dividends do not affect the S&P 500 Index Divisor of the S&P 500® Index, because following the stock price and number of shares outstanding are adjusted by S&P so that there is no change in the Market Va Component Stock. All stock split and dividend adjustments are made after the close of trading on the day before th

Each of the corporate events exemplified in the table requiring an adjustment to the S&P 500 Index Divisor has the Market Value of the S&P 500 Component Stock and consequently of altering the aggregate Market Value of the S& Stocks (the "Post-Event Aggregate Market Value"). In order that the level of the S&P 500® Index (the "Pre-Event In

affected by the altered Market Value (whether increase or decrease) of the affected S&P 500 Component Stock, a
Divisor ("New S&P 500 Divisor") is derived as follows:

$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New S\&P 500 Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New S\&P 500 Divisor} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}$$

A large part of the S&P 500 Index maintenance process involves tracking the changes in the number of shares outs
S&P 500® Index companies. Four times a year, on a Friday close to the end of each calendar quarter, the share to
S&P 500® Index are updated as required by any changes in the number of shares outstanding. After the totals are
Index Divisor is adjusted to compensate for the net change in the total Market Value of the S&P 500® Index. In add
5% in the current common shares outstanding for the S&P 500® Index companies are carefully reviewed on a week
appropriate, an immediate adjustment is made to the S&P 500 Index Divisor.

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031
Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

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Market Disruption Event

Market disruption event means, with respect to the index, the occurrence or existence of any of the following events calculation agent in its sole discretion: (i)(a) a suspension, absence or material limitation of trading of stocks then c more of the value of the index (or the successor index) on the relevant exchanges for such securities for more than during the one-half hour period preceding the close of the principal trading session on such relevant exchange; or (in the price and trade reporting systems of any relevant exchange as a result of which the reported trading prices fo 20 percent or more of the value of the index (or the successor index) during the last one-half hour preceding the clo session on such relevant exchange are materially inaccurate; or (c) the suspension, material limitation or absence c

U.S. securities market for trading in futures or options contracts or exchange traded funds related to the index (or th
more than two hours of trading or during the one-half hour period preceding the close of the principal trading sessio
a determination by the calculation agent in its sole discretion that any event described in clause (i) above materially
of the issuer or any of its affiliates to unwind or adjust all or a material portion of the hedge position with respect to t

For the purpose of determining whether a market disruption event exists at any time, if trading in a security included
suspended or materially limited at that time, then the relevant percentage contribution of that security to the value o
on a comparison of (x) the portion of the value of the index attributable to that security relative to (y) the overall valu
case immediately before that suspension or limitation.

Senior Fixed to Floating Rate Conversion Notes due March 22, 2031

Range Accrual Step Up Notes Linked to the S&P 500® Index with Issuer Fixed Rate Conversion Right

For the purpose of determining whether a market disruption event has occurred: (1) a limitation on the hours or nu
shall not constitute a market disruption event if it results from an announced change in the regular business hours o
or market, (2) a decision to permanently discontinue trading in the relevant futures or options contract or exchange
constitute a market disruption event, (3) a suspension of trading in futures or options contracts or exchange traded
primary securities market trading in such contracts or funds by reason of (a) a price change exceeding limits set by
or market, (b) an imbalance of orders relating to such contracts or funds, or (c) a disparity in bid and ask quotes rel
funds shall constitute a suspension, absence or material limitation of trading in futures or options contracts or excha
to the index and (4) a "suspension, absence or material limitation of trading" on any relevant exchange or on the pri
futures or options contracts or exchange traded funds related to the index are traded shall not include any time whe
is itself closed for trading under ordinary circumstances.

Discontinuance of the S&P 500 Index; Alteration of Method of Calculation

If S&P discontinues publication of the index and S&P or another entity (including the agent) publishes a successor
the calculation agent determines, in its sole discretion, to be comparable to the discontinued index (such index bein
"successor index"), then any subsequent index closing value shall be determined by reference to the published val
index at the regular weekday close of trading on any index business day that the index closing value is to be deter

If the publication of the index is discontinued and such discontinuance is continuing at any time when the index clos
determined and the calculation agent determines, in its sole discretion, that no successor index is available at such
agent will determine the index closing value at such time in accordance with the formula for calculating the index la
discontinuance, without rebalancing or substitution, using the price at such time (or, if trading in the relevant securit
suspended or materially limited, its good faith estimate of the price that would have prevailed but for such suspensi
security most recently comprising the index on the relevant exchange.

Notwithstanding these alternative arrangements, discontinuance of the publication of the index may adversely affec

Upon any selection by the calculation agent of a successor index, the calculation agent will cause written notice the
the trustee, to the issuer and to The Depository Trust Company ("DTC"), as holder of the notes, within three trading
selection. We expect that such notice will be made available to you, as a beneficial owner of the notes, as applicab
the standard rules and procedures of DTC and its direct and indirect participants.

If at any time the method of calculating the index or a successor index, or the value thereof, is changed in a materia
or a successor index is in any other way modified so that such index does not, in the sole opinion of the calculation
the value of the index or such successor index had such changes or modifications not been made, then, from and a
calculation agent will, at any time at which the index closing value is to be determined, make such calculations and
good faith judgment of the calculation agent, may be necessary in order to arrive at a value of an index comparable

successor index, as the case may be, as if such changes or modifications had not been made, and the calculation a
index closing value, as adjusted. Accordingly, if the method of calculating the index or a successor index is modifie
such index is a fraction of what it would have been if it had not been modified (e.g., due to a split in the index), then
adjust such index in order to arrive at a value of the index or such successor index as if it had not been modified (i.e
occurred).

“Trading day” means a day, as determined by the calculation agent, on which trading is generally conducted on the
Exchange, The NASDAQ Stock Market LLC, the Chicago Mercantile Exchange, the Chicago Board of Options Exch
the-counter market for equity securities in the United States.