

Five Year Annual Growth Plan – Issue 1

Option One - Potential Early Maturity from Year 1

If, on the first anniversary (16 December 2010), or on any anniversary thereafter, the Index closes at or above **5320.26** (Initial Index Level), the Plan will mature early and you will receive 100% of your initial capital, plus additional capital growth of 8% for each year elapsed (i.e. 8% after one year, 16% after two years, 24% after three years or 32% after four years).

Option One - Potential Return at Maturity - 8% p.a.

If, after five years (16 December 2014) the Plan has not matured early and the Index closes at or above **5320.26** (Initial Index Level), you will receive 100% of your initial capital, plus additional capital growth of 40%.

Option Two - Potential Early Maturity from Year 3

If, on the third anniversary (17 December 2012), or on any anniversary thereafter, the Index closes at or above **5320.26** (Initial Index Level), the Plan will mature early and you will receive 100% of your initial capital, plus additional capital growth of 10% for each year elapsed (i.e. 30% after three years or 40% after four years).

Option Two - Potential Return at Maturity - 10% p.a.

If, after five years (16 December 2014) the Plan has not matured early and the Index closes at or above **5320.26** (Initial Index Level), you will receive 100% of your initial capital, plus additional capital growth of 50%.

Conditional Capital Protection at Maturity

If the Plan has not matured early, or after five years the Index does not close at or above the Initial Index Level, your capital will be returned in full provided that the Index has not closed below **2660.13** (50% of the Initial Index Level) on any day during the Investment Term.

If the Index has closed below **2660.13** (50% of the Initial Index Level) on any day during the term, there will be a capital reduction unless the Index subsequently recovers to close at or above the Initial Index Level on either the Investment End Date or on an anniversary date.

This capital reduction (if any), will be determined by the Final Index Level. Capital will be reduced by 1% for every 1% the Final Index Level is below the Initial Index Level (and part thereof).

Capital Return

You will normally receive your initial capital back with any returns from the Plan and less any capital reduction, if any, approximately 14 business days after the end of the Investment Term or anniversary date, subject to timely receipt of maturity proceeds from the Issuer.

Investment Start Date

16 December 2009

Investment Term

Five years

Investment End Date

16 December 2014

Underlying Index

FTSE™ 100 Index

Initial Index Level

Closing Level on 16 December 2009 which was **5320.26**

Anniversary Dates

16 Dec 2010, 16 Dec 2011 (Option One only), 17 Dec 2012, 16 Dec 2013 (Option One and Option two)

Final Index Level

Closing Level on 16 December 2014

Capital at Risk

If on the 16 December 2014 the Index closes below **2660.13**

Plan Manager

Walker Crips Structured Investments

Issuer of Securities

Morgan Stanley

If you require a copy of the full brochure and terms & conditions for your records, please contact client services on 020 3100 8880, email wcsi@wcgplc.co.uk or contact your Financial Adviser