

REGISTRATION DOCUMENT

Morgan Stanley

MORGAN STANLEY

(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY (JERSEY) LIMITED

(incorporated with limited liability in Jersey, Channel Islands)

and

MORGAN STANLEY B.V.

(incorporated with limited liability in The Netherlands)

This Registration Document (as amended and supplemented from time to time and including all documents incorporated by reference herein, the "**Registration Document**") has been approved by the United Kingdom Financial Services Authority (the "**FSA**") which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom as a registration document issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purposes of providing information during the period of twelve months after the date of publication of this Registration Document with regard to Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley (Jersey) Limited ("**Morgan Stanley Jersey**") and Morgan Stanley B.V. ("**MSBV**") as issuers or obligors in respect of debt or derivative securities.

Certain risk factors relating to Morgan Stanley, Morgan Stanley Jersey and MSBV are set out in "Risk Factors", commencing on page 4 of this Registration Document.

Each of Morgan Stanley, Morgan Stanley Jersey and MSBV accepts responsibility for the information contained in this document. To the best of the knowledge of each of Morgan Stanley, Morgan Stanley Jersey and MSBV, each of which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

MORGAN STANLEY

17 June 2009

Important Notices

The distribution of this Registration Document and the offering, sale and delivery of debt or derivative securities in certain jurisdictions may be restricted by law. Persons into whose possession this Registration Document comes are required by Morgan Stanley, Morgan Stanley Jersey and MSBV to inform themselves about and to observe any of those restrictions.

This Registration Document forms part of a prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures and should be read and construed with any amendment or supplement hereto together with all documents incorporated by reference into it, the other parts of such relevant prospectus or, as the case may be, securities note containing disclosure in relation to any issue of debt or derivative securities by any of Morgan Stanley, Morgan Stanley Jersey or MSBV (or for which any of Morgan Stanley, Morgan Stanley Jersey or MSBV is an obligor) and, where appropriate, the final terms containing information with respect to such debt or derivative securities (the "Final Terms").

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document and, if given or made, such information or representation must not be relied upon as having been authorised by any of Morgan Stanley, Morgan Stanley Jersey or MSBV, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by Morgan Stanley, Morgan Stanley Jersey or MSBV or for which any of Morgan Stanley, Morgan Stanley Jersey or MSBV is an obligor.

This Registration Document does not constitute an offer of or an invitation to subscribe for or purchase any debt or derivative securities and should not be considered as a recommendation by any of Morgan Stanley, Morgan Stanley Jersey or MSBV that any recipient of this Registration Document should subscribe for or purchase any debt or derivative securities. Each recipient of this Registration Document will be taken to have made its own investigation and appraisal of Morgan Stanley, Morgan Stanley Jersey and MSBV and of the particular terms of any offered debt or derivative securities.

The distribution of this Registration Document and the offer or sale of securities issued by any of Morgan Stanley, Morgan Stanley Jersey or MSBV (or in relation to which Morgan Stanley, Morgan Stanley Jersey or MSBV is an obligor) may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any document incorporated by reference herein or any securities issued by Morgan Stanley, Morgan Stanley Jersey or MSBV (or for which Morgan Stanley, Morgan Stanley Jersey or MSBV is an obligor) come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of securities issued by any of Morgan Stanley, Morgan Stanley Jersey or MSBV (or for which Morgan Stanley, Morgan Stanley Jersey or MSBV is an obligor) and on the distribution of this Registration Document, including any document incorporated herein by reference, see the applicable description of arrangements relating to subscription and sale of the relevant debt or derivative securities in the relevant Prospectus.

All references in this Registration Document to "Sterling" and "£" are to the lawful currency of the United Kingdom and all references to "U.S. dollars," "U.S.\$" and "\$" are to the lawful currency of the United States of America.

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RISK FACTORS

Prospective investors should read the entire Registration Document and any relevant securities note (and where appropriate, any relevant final terms). Words and expressions defined elsewhere in this Registration Document have the same meanings in this section.

Morgan Stanley, Morgan Stanley Jersey and MSBV believe that the factors described below represent the principal risks with respect to investing in securities issued by Morgan Stanley, Morgan Stanley Jersey and MSBV. Prospective investors should consider the following:

Risks Relating to Morgan Stanley

Liquidity Risk

Liquidity and funding risk refers to the risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Liquidity and funding risk also encompasses the ability of Morgan Stanley to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern.

Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations

Liquidity is essential to Morgan Stanley's businesses. Morgan Stanley's liquidity could be substantially negatively affected by an inability to raise funding in the long-term or short-term debt capital markets or an inability to access the secured lending markets. Factors that Morgan Stanley cannot control, such as disruption of the financial markets or negative views about the financial services industry generally, could impair its ability to raise funding. In addition, Morgan Stanley's ability to raise funding could be impaired if lenders develop a negative perception of its long-term or short-term financial prospects. Such negative perceptions could be developed if Morgan Stanley incurs large trading losses, it is downgraded or put on negative watch by the rating agencies, it suffers a decline in the level of its business activity, regulatory authorities take significant action against it, or it discovers serious employee misconduct or illegal activity, among other reasons. If Morgan Stanley is unable to raise funding using the methods described above, it would likely need to liquidate unencumbered assets, such as its investment and trading portfolios, to meet maturing liabilities. Morgan Stanley may be unable to sell some of its assets, or it may have to sell assets at a discount from market value, either of which could adversely affect its results of operations.

Morgan Stanley's borrowing costs and access to the debt capital markets depend significantly on its credit ratings

The cost and availability of unsecured financing generally are dependent on Morgan Stanley's short-term and long-term credit ratings. Factors that are important to the determination of Morgan Stanley's credit ratings include the level and quality of its earnings, capital adequacy, liquidity, risk appetite and management, asset quality and business mix.

Morgan Stanley's debt ratings also can have a significant impact on certain trading revenues, particularly in those businesses where longer term counterparty performance is critical, such as OTC derivative transactions, including credit derivatives and interest rate swaps. In connection with certain OTC trading agreements and certain other agreements associated with the Institutional Securities business. Morgan Stanley may be required to provide additional collateral to certain counterparties in the event of a credit ratings downgrade.

Morgan Stanley is a holding company and depends on payments from its subsidiaries

Morgan Stanley depends on dividends, distributions and other payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations. Regulatory and other legal restrictions may limit its ability to transfer funds freely, either to or from its subsidiaries. In particular, many of its subsidiaries, including its broker-dealer subsidiaries, are subject to laws and regulations that authorize regulatory bodies to block or reduce the flow of funds to the parent holding company, or that prohibit such transfers altogether in certain circumstances. These laws and regulations may hinder Morgan Stanley's ability to access funds that it may need to make payments on its obligations. Furthermore, as a bank holding company, Morgan Stanley may become subject to a prohibition or to limitations on its ability to pay dividends. The Office of the Comptroller of the Currency ("OCC"), the Board of Governors of the Federal Reserve System ("Fed") and the Federal Deposit Insurance Corporation ("FDIC") have the authority, and under certain circumstances the duty, to prohibit or to limit the payment of dividends by the banking organizations they supervise, including Morgan Stanley and its bank holding company subsidiaries.

Future dividend payments and common stock repurchases are restricted by the terms of the U.S. Treasury's equity investment in Morgan Stanley

Under the terms of the TARP Capital Purchase Program ("CPP"), for so long as any preferred stock issued under the CPP remains outstanding, Morgan Stanley is prohibited from increasing dividends on its common stock, and from making certain repurchases of equity securities, including its common stock, without the U.S. Treasury's consent until the third anniversary of the U.S. Treasury's investment or until the U.S. Treasury has transferred all of the preferred stock it purchased under the CPP to third parties. Furthermore, as long as the preferred stock issued to the U.S. Treasury is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities, including Morgan Stanley's common stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions. Morgan Stanley expects to repay the U.S. Treasury's investment under the terms of the CPP in June 2009. Please see section headed "Information about Morgan Stanley – Recent Events".

Morgan Stanley's liquidity and financial condition have been and could continue to be adversely affected by U.S. and international markets and economic conditions

Morgan Stanley's ability to raise funding in the long-term or short-term debt capital markets or the equity markets, or to access secured lending markets, has been and could continue to be adversely affected by conditions in the U.S. and international markets and economy. Global market and economic conditions have been, and continue to be, disrupted and volatile, and in the past six months the volatility has reached unprecedented levels. In particular, Morgan Stanley's cost and availability of funding have been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. As a result of concern about the stability of the markets generally and the strength of counterparties specifically, many lenders and institutional investors have reduced and, in some cases, ceased to provide funding to borrowers. Continued turbulence in the U.S. and international markets and economy may adversely affect Morgan Stanley's liquidity and financial condition and the willingness of certain counterparties and customers to do business with Morgan Stanley.

Market Risk

Market risk refers to the risk that a change in the level of one or more market prices of commodities or securities, rates, indices, implied volatilities (the price volatility of the underlying instrument imputed from option prices), correlations or other market factors, such as liquidity, will result in losses for a position or portfolio.

Morgan Stanley's results of operations may be materially affected by market fluctuations and by economic and other factors

The amount, duration and range of Morgan Stanley's market risk exposures have been increasing over the past several years, and may continue to do so. Morgan Stanley's results of operations may be materially affected by market fluctuations due to economic and other factors. Results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including political, economic and market conditions; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation; natural disasters; acts of war or terrorism; and investor sentiment and confidence in the financial markets; or a combination of these or other factors. In addition, there have been legislative, legal and regulatory developments related to Morgan Stanley's businesses that potentially could increase costs, thereby affecting future results of operations. These factors also may have an impact on its ability to achieve its strategic objectives.

The results of Morgan Stanley's Institutional Securities business, particularly results relating to its involvement in primary and secondary markets for all types of financial products, are subject to substantial fluctuations due to a variety of factors, such as those enumerated above that Morgan Stanley cannot control or predict with great certainty. These fluctuations impact results by causing variations in new business flows and in the fair value of securities and other financial products. Fluctuations also occur due to the level of global market activity, which, among other things, affects the size, number and timing of investment banking client assignments and transactions and the realization of returns from Morgan Stanley's principal investments. During periods of unfavorable market or economic conditions, the level of individual investor participation in the global markets may also decrease, which would negatively impact the results of its Global Wealth Management Group business. In addition, fluctuations in global market activity could impact the flow of investment capital into or from assets under management or supervision and the way customers allocate capital among money market, equity, fixed income or other investment alternatives, which could negatively impact its Asset Management business.

Morgan Stanley may experience further writedowns of its financial instruments and other losses related to volatile and illiquid market conditions

Market volatility, illiquid market conditions and disruptions in the credit markets have made it extremely difficult to value certain of Morgan Stanley's securities. Subsequent valuations, in light of factors then prevailing, may result in significant changes in the values of these securities in future periods. In addition, at the time of any sales and settlements of these securities, the price Morgan Stanley ultimately realizes will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could require Morgan Stanley to take further write-downs in the value of its securities portfolio, which may have an adverse effect on its results of operations in future periods.

Holding large and concentrated positions may expose Morgan Stanley to losses

Concentration of risk may reduce revenues or result in losses in Morgan Stanley's market-making, proprietary trading, investing, block trading, underwriting and lending businesses in the event of unfavorable market movements. Morgan Stanley commits substantial amounts of capital to these businesses, which often require it to take large positions in the securities of, or make large loans to, a particular issuer or issuers in a particular industry, country or region.

Markets have experienced, and may continue to experience, periods of high volatility accompanied by reduced liquidity

Financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale, such as crowded trades. Morgan Stanley's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. Severe market events have historically been difficult to predict, however, and Morgan Stanley could realize significant losses if unprecedented extreme market events were to occur, such as the recent conditions in the global financial markets and global economy.

Morgan Stanley has exposure to the real estate sector

Morgan Stanley finances and acquires principal positions in a number of real estate and real estate-related products for its own account, for investment vehicles managed by affiliates in which it also may have a significant investment, for separate accounts managed by affiliates and for major participants in the commercial and residential real estate markets, and originates loans secured by commercial and residential properties. Morgan Stanley also securitizes and trades in a wide range of commercial and residential real estate and real estate-related whole loans, mortgages and other real estate and commercial assets and products, including residential and commercial mortgage-backed securities. These businesses could be adversely affected by a downturn in the real estate sector.

Credit Risk

Credit risk refers to the risk of loss arising from the default by a borrower, counterparty or other obligor when it is unable or unwilling to meet its obligations to Morgan Stanley.

Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations.

Morgan Stanley incurs significant, "single-name" credit risk exposure through the Institutional Securities business. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have long-term obligations to make payments to Morgan Stanley and by extending credit to Morgan Stanley's clients through various credit arrangements. Corporate clients seek loans or lending commitments from Morgan Stanley in connection with investment banking and other assignments. Morgan Stanley incurs "individual consumer" credit risk in the Global Wealth Management Group business through margin and non-purpose loans to individual investors which are collateralised by securities.

Recent market conditions, including decreased liquidity and pricing transparency along with increased market volatility, will negatively impact Morgan Stanley's "single-name" credit risk exposure. In addition, as a clearing member firm, Morgan Stanley finances its customer positions and Morgan Stanley could be held responsible for the defaults or misconduct of its customers. Although Morgan Stanley regularly reviews its credit exposures, default risk may arise from events or circumstances that are difficult to detect or foresee.

Defaults by another larger financial institution could adversely affect financial markets generally

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity problems, losses or defaults by other institutions. This is sometimes referred to as "systemic risk" and may adversely affect

financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which Morgan Stanley interacts on a daily basis, and therefore could adversely affect Morgan Stanley.

Operational Risk

Operational risk refers to the risk of financial or other loss, or potential damage to a firm's reputation, resulting from inadequate or failed internal processes, people, resources and systems or from external events (e.g., external or internal fraud, legal and compliance risks, damage to physical assets, etc.). Morgan Stanley may incur operational risk across its full scope of business activities, including revenue generating activities (e.g., sales and trading) and support functions (e.g., information technology and trade processing).

Notwithstanding anything in the above paragraph, this risk factor should not be taken as implying that any of Morgan Stanley, Morgan Stanley Jersey, MSBV or any other member of the Morgan Stanley group (such group being comprised of Morgan Stanley, its subsidiaries and affiliates, the "**Morgan Stanley Group**") will be unable to comply with its obligations as a company with securities admitted to the Official List of the United Kingdom Listing Authority.

Morgan Stanley is subject to operational risk and an operational event could adversely affect its businesses

Morgan Stanley's businesses are highly dependent on its ability to process, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies. In general, the transactions it processes are increasingly complex. Morgan Stanley performs the functions required to operate its different businesses either by itself or through agreements with third parties. Morgan Stanley relies on the ability of its employees, its internal systems and systems at technology centres operated by third parties to process a high volume of transactions.

Morgan Stanley also faces the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its securities transactions. In the event of a breakdown or improper operation of its or third party's systems or improper action by third parties or employees, Morgan Stanley could suffer financial loss, an impairment to its liquidity, a disruption of its businesses, regulatory sanctions or damage to its reputation.

Despite the business contingency plans Morgan Stanley has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its business and the communities where it is located. This may include a disruption involving physical site access, terrorist activities, disease pandemics, electrical, communications or other services used by Morgan Stanley, its employees or third parties with whom Morgan Stanley conducts business.

Legal Risk

Legal risk refers to the risk of non-compliance with applicable legal and regulatory requirements and standards. Legal risk also includes contractual and commercial risk such as the risk that a counterparty's performance obligations will be unenforceable.

Morgan Stanley's business, financial condition and results of operations could be adversely affected by regulations to which Morgan Stanley is and will become subject as a result of becoming a financial holding company

On 21 September 2008, Morgan Stanley obtained approval from the Fed to become a bank holding company. On 23 September 2008, Morgan Stanley became a financial holding company concurrent with the conversion of Morgan Stanley Bank into a national bank. Morgan Stanley has a statutory grace period

of two years, with the possibility of three one-year extensions for a total grace period of five years, to conform existing activities and investments to the restrictions on non-banking activities that apply to financial holding companies. The Bank Holding Company Act of 1956, as amended (the "**BHC Act**") also grandfathers commodities activities provided that certain conditions are satisfied. In addition, the BHC Act permits the Fed to determine by regulation or order that certain activities are complementary to a financial activity and do not pose a risk to safety and soundness. The Fed has previously determined that a wide range of commodities activities are either financial in nature or complementary to a financial activity. Although Morgan Stanley expects to be able to continue to engage in most of the activities in which Morgan Stanley currently engages after such time, it is possible that certain of Morgan Stanley's existing activities will not be deemed to be permissible under applicable regulations. If so, Morgan Stanley will be required to divest them before the end of the grace period discussed above. Morgan Stanley does not believe that any such required divestment will have a material adverse impact on its financial condition or results of operations.

As a result of becoming a financial holding company, Morgan Stanley will be restricted in engaging in new activities that are not financial in nature. This may limit Morgan Stanley's ability to pursue business opportunities Morgan Stanley might otherwise consider engaging in. In addition, in order to maintain Morgan Stanley's status as a financial holding company, its depository institution subsidiaries, such as Morgan Stanley Bank, N.A., must remain well capitalised and well managed. Under regulations implemented by the Fed, if any depository institution controlled by Morgan Stanley no longer meets certain capital or management standards, the Fed may impose corrective capital and/or managerial requirements on Morgan Stanley and place limitations on its ability to conduct the broader financial activities permissible for financial holding companies. If any depository institution controlled by Morgan Stanley were to fail to maintain a satisfactory rating under the Community Reinvestment Act, the Fed would be required to restrict Morgan Stanley's and its subsidiaries' ability to engage in additional activities to the range of activities permissible for bank holding companies that are not financial holding companies, which would severely restrict Morgan Stanley's ability to conduct its business.

As a financial holding company, Morgan Stanley is subject to the comprehensive, consolidated supervision and regulation of the Fed, including risk-based and leverage capital requirements. The Fed generally requires Morgan Stanley and its peer financial holding companies to maintain risk-based and leverage capital ratios substantially in excess of the minimum levels required by certain guidelines published by the federal banking regulators, depending upon general economic conditions and each financial holding company's particular condition, risk profile and growth plans. Compliance with the capital requirements, including leverage ratios, may limit Morgan Stanley's operations requiring the intensive use of capital. Such requirements may limit Morgan Stanley's ability to pay dividends, repay debt or redeem or purchase shares of its outstanding stock. Any change in such rules or the imposition of new rules affecting the scope, coverage, calculation or amount of capital requirements, or a significant operating loss or any unusually large charge against capital, could adversely affect Morgan Stanley's ability to pay dividends or to expand or maintain present business levels. Further requirements, including certain dividend restrictions, have been imposed on Morgan Stanley and other financial institutions participating in the CPP.

Morgan Stanley's business, financial condition and results of operations are heavily regulated and could be adversely affected by new regulations or by changes in regulations or the application thereof in any of the jurisdictions in which Morgan Stanley operates

The financial services industry is heavily regulated. Morgan Stanley is subject to extensive regulation globally and face the risk of significant intervention by regulatory authorities in the jurisdictions in which Morgan Stanley conducts its businesses. Among other things, Morgan Stanley could be fined, prohibited from engaging in some of its business activities or subject to limitations or conditions on its business activities.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most recently, governments in the U.S. and abroad have intervened on an unprecedented scale, responding to the stresses experienced in the global financial markets. Steps undertaken in the U.S. include enhancing the liquidity support available to financial institutions, including by establishing a commercial paper funding facility, temporarily guaranteeing money market funds and certain types of debt issuances, insuring deposits in certain transaction deposit accounts, and injecting capital into financial institutions. Some of the measures subject Morgan Stanley and other institutions for which they were designed to additional restrictions, oversight or costs that may have an impact on Morgan Stanley's business, results of operations or the price of its common stock.

Proposals for legislation that could substantially intensify the regulation of the financial services industry are expected to be introduced in the U.S. Congress, in state legislatures and around the world. The agencies regulating the financial services industry also frequently adopt changes to their regulations. Substantial regulatory and legislative initiatives, including a comprehensive overhaul of the regulatory system in the U.S. and rules to more closely regulate credit default swaps and other derivative transactions, have been proposed and are possible in the years ahead. Morgan Stanley is unable to predict whether any of these initiatives will succeed, which form they will take, or whether any additional changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Any such action could affect Morgan Stanley in substantial and unpredictable ways and could have an adverse effect on Morgan Stanley's business, financial condition and results of operations.

The financial services industry faces substantial litigation and regulatory risks, and Morgan Stanley may face damage to its reputation and legal liability

Morgan Stanley has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions, and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or in financial distress.

Morgan Stanley is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding its business, including, among other things, accounting and operational matters, certain of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. The number of these investigations and proceedings has increased in recent years with regard to many firms in the financial services industry, including Morgan Stanley. Like any large corporation, Morgan Stanley is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of confidential information. Substantial legal liability or significant regulatory action against Morgan Stanley could materially adversely affect Morgan Stanley's business, financial condition or results of operations or cause it significant reputational harm, which could seriously harm Morgan Stanley's business.

Morgan Stanley's business, financial condition and results of operations could be adversely affected by governmental fiscal and monetary policies

Morgan Stanley is affected by fiscal and monetary policies adopted by regulatory authorities and bodies of the U.S. and other governments. For example, the actions of the Fed and international central banking authorities directly impact Morgan Stanley's cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments Morgan Stanley holds. In addition, such changes in monetary policy may affect the credit quality of Morgan Stanley's customers. Changes in domestic and international monetary policy are beyond Morgan Stanley's control and difficult to predict.

Morgan Stanley's commodities activities subject it to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose it to significant costs and liabilities

In connection with the commodities activities in Morgan Stanley's Institutional Securities business, Morgan Stanley engages in the production, storage, transportation, marketing and trading of several commodities, including metals (base and precious), crude oil, oil products, natural gas, electric power, emission credits, coal freight, LNG and related products and indices. In addition, Morgan Stanley owns five electricity generating facilities in the U.S. and Europe: TransMontaigne Inc. and its subsidiaries, a group of companies operating in the refined petroleum products marketing and distribution business; and the Heidmar Group of companies, which provide international marine transportation and U.S. marine logistics services. As a result of these activities, Morgan Stanley is subject to extensive and evolving energy, environmental, health and safety and other governmental laws and regulations. For example, liability may be incurred without regard to fault under certain environmental laws and regulations for the remediation of contaminated areas. Morgan Stanley's commodities business also exposes it to the risk of unforeseen and catastrophic events, including natural disasters, leaks, spills, explosions, release of toxic substances, fires, accidents on land and at sea, wars and terrorist attacks that could result in personal injuries, loss of life, property damage, and suspension of operations.

Although Morgan Stanley has attempted to mitigate its pollution and other environmental risks, including those discussed below, by, among other measures, adopting appropriate policies and procedures for power plant operations, monitoring the quality of petroleum storage facilities and transport vessels and implementing emergency response programs, these actions may not prove adequate to address every contingency. In addition, insurance covering some of these risks may not be available, and the proceeds, if any, from insurance recovery may not be adequate to cover liabilities with respect to particular incidents. As a result, Morgan Stanley's financial condition and results of operations may be adversely affected by these events.

Morgan Stanley also expects the other laws and regulations affecting its energy business to increase in both scope and complexity. During the past several years, intensified scrutiny of the energy markets by federal, state and local authorities in the U.S. and abroad and the public has resulted in increased regulatory and legal enforcement, litigation and remedial proceedings involving companies engaged in the activities in which Morgan Stanley is engaged. For example, the EU has increased its focus on the energy markets which has resulted in increased regulation of companies participating in the energy markets, including those engaged in power generation and liquid hydrocarbons trading. Morgan Stanley may incur substantial costs in complying with current or future laws and regulations and its overall businesses and reputation may be adversely affected by the current legal environment. In addition, failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties.

A failure to deal with conflicts of interest appropriately could adversely affect Morgan Stanley's businesses

As a global financial services firm that provides its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals, Morgan Stanley faces potential conflicts of interests in the normal course of business. For example, potential conflicts can occur when there is a divergence of interests between Morgan Stanley and a client, among clients, or between an employee on the one hand and the Firm or a client on the other. Morgan Stanley has policies, procedures and controls that are designed to address potential conflicts of interest. However, identifying and managing potential conflicts of interest can be complex and challenging, and can become the focus of media and regulatory scrutiny. Indeed, actions that merely appear to create a conflict can put Morgan Stanley's reputation at risk. It is possible that potential or perceived conflicts could give rise to litigation or enforcement actions, which may lead to Morgan Stanley's clients being less willing to enter into transactions in which a conflict may occur and could adversely affect Morgan Stanley's businesses.

Competitive Environment

Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability

The financial services industry, and all of Morgan Stanley's businesses, are intensely competitive, and Morgan Stanley expects them to remain so. Morgan Stanley competes with commercial banks, insurance companies, sponsors of mutual funds, hedge funds, energy companies and other companies offering financial services in the U.S., globally and through the internet. Morgan Stanley competes on the basis of several factors, including transaction execution, capital or access to capital, products and services, innovation, reputation and price. Over time, certain sectors of the financial services industry have become considerably more concentrated, as financial institutions involved in a broad range of financial services have been acquired by or merged into other firms. This convergence could result in Morgan Stanley's competitors gaining greater capital and other resources, such as a broader range of products and services and geographic diversity. Morgan Stanley may experience pricing pressures as a result of these factors and as some of its competitors seek to increase market share by reducing prices.

Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance

Morgan Stanley's people are its most important resource and competition for qualified employees is intense. In order to attract and retain qualified employees, Morgan Stanley must compensate such employees at market levels. Typically, those levels have caused employee compensation to be Morgan Stanley's greatest expense as compensation is highly variable and moves with performance. If Morgan Stanley is unable to continue to attract and retain qualified employees, or do so at rates necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, Morgan Stanley's performance, including its competitive position, could be materially adversely affected.

Pursuant to the standardised terms of the CPP described above, among other things, Morgan Stanley has agreed to institute certain restrictions on the compensation of certain senior management positions, which could have an adverse effect on Morgan Stanley's ability to hire or retain the most qualified senior management. It is possible that the U.S. Treasury may, as it is permitted to do, impose further requirements on Morgan Stanley.

Automated trading markets may adversely affect Morgan Stanley's business and may increase competition

Morgan Stanley has experienced intense price competition in some of its businesses in recent years. In particular, the ability to execute securities trades electronically on exchanges and through other automated trading markets has increased the pressure on trading commissions. The trend toward direct access to automated, electronic stock markets will likely continue. It is possible that Morgan Stanley will experience competitive pressures in these and other areas in the future as some of its competitors may seek to obtain market share by reducing prices.

International Risk

Morgan Stanley is subject to numerous political, economic, legal, operational and other risks as a result of its international operations which could adversely impact its businesses in many ways

Morgan Stanley is subject to political, economic, legal, operational and other risks that are inherent in operating in many countries, including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability. In many countries, the laws and regulations applicable

to the securities and financial services industries are uncertain and evolving, and it may be difficult for Morgan Stanley to determine the exact requirements of local laws in every market. Morgan Stanley's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on Morgan Stanley's businesses in that market but also on Morgan Stanley's reputation generally. Morgan Stanley is also subject to the enhanced risk that transactions it structures might not be legally enforceable in all cases.

Various emerging market countries have experienced severe economic and financial disruptions, including significant devaluations of their currencies, capital and currency exchange controls, high rates of inflation and low or negative growth rates in their economies. Crime and corruption, as well as security and personal safety issues, also exist in certain of these countries. These conditions could adversely impact Morgan Stanley's businesses and increase volatility in financial markets generally.

The emergence of a pandemic or other widespread health emergency, or concerns over the possibility of such an emergency, could create economic and financial disruptions in emerging markets and other areas throughout the world, and could lead to operational difficulties (including travel limitations) that could impair Morgan Stanley's ability to manage its businesses around the world.

Acquisition Risk

Morgan Stanley may be unable to fully capture the expected value from future acquisitions, joint ventures minority stakes and strategic alliances

Morgan Stanley expects to grow in part through acquisitions, joint ventures, minority stakes and strategic alliances. To the extent Morgan Stanley makes acquisitions or enters into combinations or joint ventures, it faces numerous risks and uncertainties combining or integrating the relevant businesses and systems, including the need to combine accounting and data processing systems and management controls and to integrate relationships with clients and business partners. In the case of joint ventures and minority stakes, Morgan Stanley is subject to additional risks and uncertainties in that it may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under Morgan Stanley's control. In addition, conflicts or disagreements between Morgan Stanley and its joint venture partners may negatively impact the benefits to be achieved by the joint venture. There is no assurance that Morgan Stanley's recent acquisitions or any business it acquires in the future will be successfully integrated and result in all of the positive benefits anticipated. If Morgan Stanley is not able to integrate successfully its past and future acquisitions, there is a risk that Morgan Stanley's results of operations may be materially and adversely affected.

In October 2008, Morgan Stanley and Mitsubishi UFJ Financial Group, Inc. announced a global strategic alliance and have identified areas of potential collaboration for such alliance, including corporate and investment banking, certain areas of retail banking and asset management, and lending activities such as corporate and project related loans. On 1 June 2009, Morgan Stanley and Citigroup Inc. ("Citi") announced the closing of their new Morgan Stanley Smith Barney joint venture, which will combine Morgan Stanley's Global Wealth Management Group and Citi's Smith Barney in the U.S., Quilter in the U.K., and Smith Barney Australia.

Risk Management

Hedging strategies of Morgan Stanley and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk

Morgan Stanley has devoted significant resources to develop its risk management policies and procedures and expects to continue to do so in the future. Nonetheless, Morgan Stanley's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of

Morgan Stanley's methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate (e.g., recent events in the U.S. subprime residential mortgage market). Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective.

Risks relating to Morgan Stanley Jersey

All material assets of Morgan Stanley Jersey are obligations of (or securities issued by) one or more of companies in the Morgan Stanley Group. The obligations of Morgan Stanley Jersey pursuant to such transactions are substantially guaranteed by Morgan Stanley. If any companies in the Morgan Stanley Group incur losses with respect to any of their activities (irrespective of whether those activities relate to Morgan Stanley Jersey or not) their ability to fulfil their obligations to Morgan Stanley could be impaired, thereby exposing holders of securities issued by Morgan Stanley Jersey to a risk of loss.

Risks relating to MSBV

All material assets of MSBV are obligations of (or securities issued by) one or more companies in the Morgan Stanley Group. The obligations of MSBV pursuant to such transactions are guaranteed by Morgan Stanley. If any companies in the Morgan Stanley Group incur losses with respect to any of their activities (irrespective of whether those activities relate to MSBV or not) their ability to fulfil their obligations to MSBV could be impaired, thereby exposing holders of securities issued by MSBV to a risk of loss.

Risks relating to insolvency proceedings in the Netherlands

On the assumption that insolvency proceedings would be opened in the Netherlands in relation to MSBV, the validity or enforceability of any documents or any legal act (*rechtshandeling*) forming part thereof or contemplated thereby are subject to and limited by the protection afforded by the Netherlands law to creditors whose interests have been adversely affected pursuant to the rules of the Netherlands law relating to (x) unlawful acts (*onrechtmatige daden*) based on Section 6:162 et seq. of the Netherlands Civil Code (*Burgerlijk Wetboek*) and (y) fraudulent conveyance or preference (*actio pauliana*) within the meaning of Section 3:45 of the Netherlands Civil Code (*Burgerlijk Wetboek*) and/or Section 42 et seq. of the Netherlands Bankruptcy Act (*Faillissementswet*).

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Registration Document:

| Document filed | Information incorporated by reference | Page |
|---|---|---------|
| Morgan Stanley | | |
| 1. Proxy Statement dated 25 March 2009 | Whole document | - |
| 2. Current Report on Form 8-K dated 2 June 2009 | Whole document | - |
| 3. Current Report on Form 8-K dated 29 May 2009 | Whole document | - |
| 4. Current Report on Form 8-K dated 22 May 2009 | Whole document | - |
| 5. Current Report on Form 8-K dated 19 May 2009 | Whole document | - |
| 6. Both Current Reports on Form 8-K each dated 8 May 2009 | Whole document | - |
| 7. Current Report on Form 8-K dated 7 May 2009 | Whole document | - |
| 8. Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009 | Whole document | - |
| 9. Annual Report on Form 10-K for the fiscal year ended 30 November 2008 | (1) Report of Independent Registered Public Accounting Firm | 106 |
| | (2) Consolidated Statements of Financial Condition | 107-108 |
| | (3) Consolidated Statements of Cash Flow | 111 |
| | (4) Consolidated Statements of Income | 109 |
| | (5) Notes to the Consolidated Financial Statements | 113-188 |
| 10. Annual Report on Form 10-K for the fiscal year ended 30 November 2007 | (1) Report of Independent Registered Public Accounting Firm | 100 |
| | (2) Consolidated Statements of Financial Condition | 101-102 |
| | (3) Consolidated Statements of Cash Flow | 105 |
| | (4) Consolidated Statements of Income | 103 |
| | (5) Notes to the Consolidated Financial Statements | 107-181 |
| Morgan Stanley (Jersey) Limited | | |
| 11. Annual Report for the year ended 31 December 2008 | (1) Independent Auditors' Report | 4 |
| | (2) Income Statement | 5 |
| | (3) Balance Sheet | 6 |

| | | | |
|---|-----|-----------------------------------|-------|
| | (4) | Cash Flow Statement | 8 |
| | (5) | Notes to the Accounts | 9-22 |
| 12. Annual Report for the year ended 30 November 2007 | (1) | Independent Auditors' Report | 3 |
| | (2) | Income Statement | 4 |
| | (3) | Balance Sheet | 5 |
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| | (5) | Notes to the accounts | 8-17 |
| Morgan Stanley B.V. | | | |
| 13. Annual Report for the year ended 30 November 2008 | (1) | Independent Auditors' Report | 21-22 |
| | (2) | Income Statement | 3 |
| | (3) | Balance Sheet | 4 |
| | (4) | Cash Flow Statement | 6 |
| | (5) | Notes to the Financial Statements | 7-20 |
| 14. Annual Report for the year ended 30 November 2007 | (1) | Independent Auditors' Report | 18-19 |
| | (2) | Income Statement | 2 |
| | (3) | Balance Sheet | 3 |
| | (4) | Cash Flow Statement | 5 |
| | (5) | Notes to the Financial Statements | 6-17 |

Any statement contained in this Registration Document or any documents incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Any information or documents incorporated by reference into the documents listed above do not form part of this Registration Document.

Morgan Stanley, will at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Registration Document (or any document incorporated by reference in this Registration Document). Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

DESCRIPTION OF MORGAN STANLEY

1. INFORMATION ABOUT MORGAN STANLEY

History and Development of Morgan Stanley

Legal name, place of registration and registration number, date of incorporation

Morgan Stanley was originally incorporated for an unlimited term under the laws of the State of Delaware on 1 October 1981 under registered number 0923632, and its predecessor companies date back to 1924. On 31 May 1997, Morgan Stanley Group, Inc. was merged with and into Dean Witter Discover & Co. ("**Dean Witter Discover**") in a merger of equals. At that time, Dean Witter Discover changed its corporate name to Morgan Stanley, Dean Witter, Discover & Co. ("**MSDWD**"). On 24 March 1998, MSDWD changed its corporate name to Morgan Stanley Dean Witter & Co, and to Morgan Stanley on 20 June 2002.

Registered office

Morgan Stanley has its registered office at The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A., and its principal executive offices at 1585 Broadway, New York, NY 10036, U.S.A., telephone number +1 (212) 761-4000.

Legal and commercial name of Morgan Stanley

As at the date of this Registration Document, Morgan Stanley's legal and commercial name is "Morgan Stanley".

Legislation and consolidated supervision

Morgan Stanley is subject both to the laws of the United States of America and to the General Corporation Law of the State of Delaware ("**DGCL**"). United States federal laws affect many aspects of corporate affairs in the United States and concern such diverse matters as antitrust, bankruptcy, labour-management relations, the sale of securities and taxation. Certain United States federal securities laws are administered by the SEC and generally prohibit the sale of securities by fraudulent means and require most corporations that have issued securities, which are publicly held, such as Morgan Stanley, to make periodic financial and other reports to the SEC and to shareholders.

In the United States, business corporations are generally incorporated under the laws of one of the states. Morgan Stanley is incorporated under the laws of the State of Delaware.

Morgan Stanley elected to be deemed a financial holding company under the Bank Holding Company Act on 21 September 2008, as described in "Recent Events" below. As a financial holding company, Morgan Stanley is subject to the comprehensive, consolidated supervision and regulation of the Fed. This means that Morgan Stanley is, among other things, subject to the Fed's risk-based and leverage capital requirements and information reporting requirements for bank holding companies. The Fed has the authority to conduct on-site examination of Morgan Stanley and any of its affiliates, subject to coordinating with any state or federal functional regulator of any particular affiliate.

In addition to the Fed's consolidated supervision, certain of Morgan Stanley's subsidiaries are regulated directly by other regulators based upon the activities of those subsidiaries.

The Fed generally requires Morgan Stanley and its peer financial holding companies to maintain risk-based and leverage capital ratios substantially in excess of these minimum levels, depending upon general economic conditions and their particular condition, risk profile and growth plans.

In September 2008, Morgan Stanley became a financial holding company under the Bank Holding Act subject to the regulation and oversight of the Fed. The Fed establishes capital requirements for Morgan Stanley, including well-capitalised standards, and evaluates Morgan Stanley's compliance with such capital requirements. The Office of the Controller of the Currency establishes similar capital requirements and standards for Morgan Stanley Bank, N.A. Prior to September 2008, Morgan Stanley was a consolidated supervised entity as defined by the SEC and subject to SEC regulation.

As of 31 March 2009, as well as for future dates, Morgan Stanley calculates its capital ratios and risk-weighted assets in accordance with the capital adequacy standards for financial holding companies adopted by the Fed. These standards are based upon a framework described in the "International Convergence of Capital Measurement", July 1988, as amended, also referred to as Basel I. During the fiscal year ended 30 November 2008 ("**fiscal 2008**"), Morgan Stanley calculated capital requirements on a consolidated basis in accordance with the Revised Framework, dated June 2004 (the "**Basel II Accord**") as interpreted by the SEC. The Basel II Accord is designed to be a risk-based capital adequacy approach, which allows for the use of internal estimates of risk components to calculate regulatory capital. In December 2007, the U.S. banking regulators published a final Basel II Accord that requires internationally active banking organizations, as well as certain of its U.S. bank subsidiaries, to implement Basel II standards over the next several years. Morgan Stanley will be required to implement these Basel II standards since becoming a financial holding company since September 2008.

Recent Events

Financial Holding Company. On 21 September 2008, Morgan Stanley obtained approval from the Fed to become a bank holding company upon the conversion of its wholly owned indirect subsidiary, Morgan Stanley Bank, from a Utah industrial bank to a national bank. On 23 September 2008, the OCC authorised Morgan Stanley Bank to commence business as a national bank, operating as Morgan Stanley Bank, N.A. Concurrently with this conversion, Morgan Stanley became a financial holding company under the BHC Act.

Morgan Stanley Bank, N.A. Morgan Stanley Bank, N.A. is a FDIC-insured national bank and, as such, is subject to the supervision and regulation by the OCC and, in certain matters, by the Fed and FDIC. The activities of Morgan Stanley Bank, N.A., as a consumer lender, are also subject to regulation under various U.S. federal laws, including the Truth-in-Lending, Equal Credit Opportunity, Fair Credit Reporting, Fair Debt Collection Practice and Electronic Funds Transfer acts, as well as various state laws. These statutes impose requirements on the making, enforcement and collection of consumer loans and on the types of disclosures that need to be made in connection with such loans.

Other Banking Institutions. Morgan Stanley Trust is a wholly owned subsidiary that conducts certain transfer agency, sub-accounting and other activities. It is a FDIC-insured federal savings bank whose activities are subject to comprehensive regulation and periodic examination by the Office of Thrift Supervision. Morgan Stanley Trust is also a registered transfer agent subject to regulation and examination by the SEC.

Morgan Stanley Trust National Association, a wholly owned subsidiary, is a non-depository national bank whose activities are limited to fiduciary activities, primarily personal trust services. It is subject to comprehensive regulation and periodic examination by the OCC. Morgan Stanley Trust National Association is not FDIC-insured and is not considered a "bank" for purposes of the BHC Act.

Scope of Permitted Activities. As a financial holding company, Morgan Stanley is able to engage in any activity that is financial in nature, incidental to a financial activity or complementary to a financial activity. Unless otherwise required by the Fed, Morgan Stanley is permitted to commence any new financial activity, or acquire a company engaged in any financial activity, as long as it provides after-the-fact notice of such new activity or investment to the Fed. However, Morgan Stanley must obtain the prior approval of the Fed before acquiring more than five percent of any class of voting stock of a U.S.

depository institution or bank holding company or commencing any activity that is complementary to a financial activity.

Morgan Stanley believes that most of the activities it conducted before becoming a financial holding company remain permissible. In addition, the BHC Act gives Morgan Stanley two years to conform its existing non-financial activities and investments to the requirements of the BHC Act with the possibility of three one-year extensions for a total grace period of up to five years. The BHC Act also grandfathers any "activities related to the trading, sale or investment in commodities and underlying physical properties," provided that Morgan Stanley conducted any of such activities as of 30 September 1997 and provided that certain other conditions that are within Morgan Stanley's reasonable control are satisfied. In addition, the BHC Act permits the Fed to determine by regulation or order that certain activities are complementary to a financial activity and do not pose a risk to safety and soundness.

It is possible that certain of Morgan Stanley's existing activities will not be deemed to be permissible financial activities, or incidental or complementary to such activities or otherwise grandfathered. If so, Morgan Stanley will be required to divest them before the end of the grace period discussed above. Morgan Stanley does not believe that any such required divestment will have a material adverse impact on its financial condition or results of operations.

Consolidated Supervision. As a financial holding company, Morgan Stanley is subject to the comprehensive, consolidated supervision and regulation of the Fed. This means that Morgan Stanley is, among other things, subject to the Fed's risk-based and leverage capital requirements and information reporting requirements for bank holding companies. The Fed has the authority to conduct on-site examinations of Morgan Stanley and any of its affiliates, subject to coordinating with any state or federal functional regulator of any particular affiliate.

In addition to the Fed's consolidated supervision, certain of Morgan Stanley's subsidiaries are regulated directly by other regulators based upon the activities of those subsidiaries. Except for Morgan Stanley Bank, N.A., which has become subject to the supervision and regulation of the OCC upon becoming a national bank, the functional regulation of Morgan Stanley's subsidiaries by other state and federal regulators has not changed. Morgan Stanley, by participating in the FDIC's Temporary Liquidity Guarantee Program, has become subject to additional oversight by the FDIC, limited to compliance with the terms of that program. Participation in the program does not change the Fed's role as Morgan Stanley's consolidated supervisor.

In order to maintain Morgan Stanley's status as a financial holding company, its depository institution subsidiaries must remain well capitalised and well managed. Under regulations implemented by the Fed, if any depository institution controlled by a financial holding company no longer meets certain capital or management standards, the Fed may impose corrective capital and/or managerial requirements on the financial holding company and place limitations on its ability to conduct the broader financial activities permissible for financial holding companies. In addition, as a last resort if the deficiencies persist, the Fed may order a financial holding company to cease the conduct of or to divest those businesses engaged in activities other than those permissible for bank holding companies that are not financial holding companies. The regulations also provide that if any depository institution controlled by a financial holding company fails to maintain a satisfactory rating under the Community Reinvestment Act, the Fed must prohibit the financial holding company and its subsidiaries from engaging in any additional activities other than those permissible for bank holding companies that are not financial holding companies.

Capital Standards. Federal banking regulators have adopted risk-based capital and leverage guidelines that require Morgan Stanley's capital-to-assets ratios to meet certain minimum standards.

The denominator or asset portion of the risk-based capital ratio is determined by allocating assets and specified off-balance sheet financial instruments into four weighted categories, with higher levels of capital being required for the categories perceived as representing greater risk. Under the guidelines,

capital is divided into two tiers: Tier 1 capital and Tier 2 capital. The amount of Tier 2 capital may not exceed the amount of Tier 1 capital. Total capital is the sum of Tier 1 capital and Tier 2 capital. Under the guidelines, banking organizations are required to maintain a total capital ratio (total capital to risk-weighted assets) of at least 10% and a Tier 1 capital ratio of at least 6% in order to qualify as well capitalised and for their holding company parent to be able to qualify as a financial holding company.

The federal banking regulators also have established minimum leverage ratio guidelines. The Tier 1 leverage ratio is defined as Tier 1 capital divided by adjusted average total book assets (which reflects adjustments for disallowed goodwill, certain intangible assets and deferred tax assets). The adjusted average total assets are derived using month-end balances for each fiscal quarter. The minimum leverage ratio is 3% for bank holding companies that are considered "strong" under Fed guidelines or which have implemented the Fed's risk-based capital measure for market risk. Other bank holding companies must have a minimum leverage ratio of 4%.

The Fed generally requires Morgan Stanley and its peer financial holding companies to maintain risk-based and leverage capital ratios substantially in excess of these minimum levels, depending upon general economic conditions and their particular condition, risk profile and growth plans.

U.S. banking regulators are in the process of incorporating the Basel II Accord ("**Basel II**") into the existing risk-based capital requirements. After a transitional period, core financial institutions, including Morgan Stanley, are required to implement advanced measurement techniques by employing internal estimates of certain key risk drivers to derive capital requirements. Prior to becoming a financial holding company, as part of its status until September 2008 as a consolidated supervised entity subject to the group-wide supervision and examination by the SEC, Morgan Stanley calculated its minimum capital requirements in accordance with Basel II as implemented by the SEC. Morgan Stanley's significant European regulated entities implemented Basel II Capital Standards on 1 January 2008. For 31 March 2009 and future dates, Morgan Stanley expects to calculate its capital ratios and risk weighted assets in accordance with the capital adequacy standards for bank holding companies adopted by the Fed. These standards are based upon a framework described in the "International Convergence of Capital Measurement," July 1988, as amended, also referred to as Basel I.

Compliance with the capital requirements, including leverage ratios, may limit Morgan Stanley's operations requiring the intensive use of capital. Such requirements may limit Morgan Stanley's ability to pay dividends, repay debt or redeem or purchase shares of its own outstanding stock. Any change in such rules or the imposition of new rules affecting the scope, coverage, calculation or amount of capital requirements, or a significant operating loss or any unusually large charge against capital, could adversely affect Morgan Stanley's ability to pay dividends or to expand or maintain present business levels.

Dividends. In addition to certain dividend restrictions that apply by law to certain of Morgan Stanley's subsidiaries, as described below, the OCC, the Fed and the FDIC have authority to prohibit or to limit the payment of dividends by the banking organizations they supervise, including Morgan Stanley, Morgan Stanley Bank, N.A, and other depository institution subsidiaries, if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization. It is Fed policy that bank holding companies should generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also Fed policy that bank holding companies should not maintain dividend levels that undermine the company's ability to be a source of strength to its banking subsidiaries. Under the terms of the CPP, for so long as any preferred stock issued under the CPP remains outstanding, Morgan Stanley is prohibited from increasing dividends on its common stock, and from making certain repurchases of equity securities, including its common stock, without the U.S. Treasury's consent until the third anniversary of the U.S. Treasury's investment or until the U.S. Treasury has transferred all of the preferred stock it purchased under the CPP to third parties. Furthermore, as long as the preferred stock issued to the U.S. Treasury is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities,

including Morgan Stanley's common stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions.

Prompt Corrective Action. The Federal Deposit Insurance Corporation Improvement Act of 1991 provides a framework for regulation of depository institutions and their affiliates, including parent holding companies, by their federal banking regulators. Among other things, it requires the relevant federal banking regulator to take "prompt corrective action" with respect to a depository institution if that institution does not meet certain capital adequacy standards. Supervisory actions by the appropriate federal banking regulator under the prompt corrective action rules generally depend upon an institution's classification within five capital categories. The regulations apply only to insured banks and thrifts such as Morgan Stanley Bank, N.A. or Morgan Stanley Trust, and not to bank holding companies such as Morgan Stanley. However, subject to limitations, the Fed is authorised to take appropriate action at the holding company level, based upon the undercapitalised status of the holding company's subsidiary banking institutions. In certain instances relating to an undercapitalised banking institution, the bank holding company would be required to guarantee the performance of the undercapitalised subsidiary's capital restoration plan and might be liable for civil money damages for failure to fulfil its commitments on that guarantee.

Transactions with Affiliates. Morgan Stanley Bank, N.A. and Morgan Stanley Trust are both subject to Sections 23A and 23B of the Federal Reserve Act of 1913, which impose restrictions on any extensions of credit to, purchase of assets from, and on certain other transactions with, any affiliates. These restrictions include limits on the total amount of credit exposure that they may have to any one affiliate and to all affiliates, as well as collateral requirements, and they require all such transactions to be made on market terms.

FDIC Regulation. A FDIC-insured depository institution is generally liable for any loss incurred or expected to be incurred by the FDIC in connection with the failure of a commonly controlled insured depository institution.

If the FDIC is appointed the conservator or receiver of an insured depository institution upon its insolvency or in certain other events, the FDIC has the power: to transfer any of the depository institution's assets and liabilities to a new obligor; to enforce the terms of the depository institution's contracts pursuant to their terms notwithstanding any clause that purports to accelerate or terminate the contracts; or to repudiate or disaffirm any contract or lease to which the depository institution is a party, subject to certain standards. The above provisions would be applicable to Morgan Stanley Bank, N.A. and Morgan Stanley Trust.

As FDIC-insured depository institutions, Morgan Stanley Bank, N.A. and Morgan Stanley Trust are exposed to changes in the cost of such insurance. On 1 January 2009, the FDIC increased the Deposit Insurance Fund assessment rates as part of the FDIC's Deposit Insurance Fund restoration plan and has proposed to make, beginning in the second quarter of 2009, further risk-based changes to its deposit insurance assessment system. In addition, by participating in the FDIC's Temporary Liquidity Guarantee Program, Morgan Stanley Bank, N.A. and Morgan Stanley Trust have temporarily become subject to an additional assessment on deposits in excess of \$250,000 in certain transaction accounts.

China Investment Corporation Investment. In December 2007, Morgan Stanley sold Equity Units that included contracts to purchase Morgan Stanley common stock to a wholly owned subsidiary of China Investment Corporation ("CIC") for approximately U.S. \$5,579 million. CIC's ownership in Morgan Stanley's common stock, including the maximum number of shares of common stock to be received by CIC upon settlement of the stock purchase contracts, will be 9.9% or less of Morgan Stanley's total shares outstanding based on the total shares that were outstanding on 30 November 2007. CIC is a passive financial investor and has no special rights of ownership nor a role in the management of Morgan Stanley. A substantial portion of the investment proceeds was treated as Tier 1 capital for regulatory capital purposes.

Mitsubishi UFJ Financial Group, Inc. ("MUFG"). On 13 October 2008, Morgan Stanley issued to MUFG 7,839,209 shares of Series B Non-Cumulative Non-Voting Perpetual Convertible Preferred Stock ("**Series B Preferred Stock**") and 1,160,791 shares of Series C Non-Cumulative Non-Voting Perpetual Preferred Stock ("**Series C Preferred Stock**") for an aggregate purchase price of \$9 billion that gave MUFG a 21% ownership interest on a fully diluted basis at the date of issuance. The Series B Preferred Stock and Series C Preferred Stock qualify as Tier 1 capital for regulatory capital purposes.

Capital Purchase Program. Morgan Stanley was part of the initial group of financial institutions participating in the CPP, and on 26 October 2008 entered into a Securities Purchase Agreement – Standard Terms with the U.S. Treasury pursuant to which, among other things, Morgan Stanley sold to the U.S. Treasury for an aggregate purchase price of \$10 billion, 10 million shares of Series D Fixed Rate Cumulative Perpetual Preferred Stock of Morgan Stanley (the "**Series D Preferred Stock**") and warrants to purchase up to 65,245,759 shares of common stock of Morgan Stanley at an exercise price of \$22.99 per share.

The Series D Preferred Stock qualifies as Tier 1 capital and ranks senior to Morgan Stanley's common shares and *pari passu*, which is at an equal level in the capital structure, with existing preferred shares, other than preferred shares which by their terms rank junior to any other existing preferred shares. The Series D Preferred Stock pays a compounding cumulative dividend rate of 5% per annum for the first five years and will reset to a rate of 9% per annum after year five. The Series D Preferred Stock is non-voting, other than class voting rights on matters that could adversely affect the Series D Preferred Stock. The Series D Preferred Stock is callable at par after three years. Prior to the end of three years, the Series D Preferred Stock may be redeemed with the proceeds from one or more qualified equity offerings of any Tier 1 perpetual preferred or common stock of at least \$2.5 billion. The U.S. Treasury may also transfer the Series D Preferred Stock to a third party at any time. The number of shares to be delivered upon settlement of the warrant will be reduced by 50% if Morgan Stanley receives aggregate gross proceeds of at least 100% of the aggregate liquidation preference of the Series D Preferred Stock (\$10 billion) from one or more qualified equity offerings prior to 31 December 2009.

Morgan Stanley Smith Barney Joint Venture. On 1 June 2009, Morgan Stanley and Citigroup Inc. ("Citi") announced the closing of their new Morgan Stanley Smith Barney joint venture, which will combine Morgan Stanley's Global Wealth Management Group and Citi's Smith Barney in the U.S., Quilter in the U.K., and Smith Barney Australia.

TARP Repayment. On 9 June 2009, Morgan Stanley received approval to repay the U.S. government's \$10 billion TARP investment. Morgan Stanley expects to complete the repayment in June 2009.

Public Offer of Common Stock. On 11 June 2009, Morgan Stanley closed a public offering of approximately 85.9 million shares of common stock to the public at \$27.44 per share for total gross proceeds of approximately \$2.36 billion. China Investment Corporation agreed to purchase 44.7 million shares of common stock at the public offering price. In addition, Mitsubishi UFJ Financial Group, Inc. (MUFG) agreed to purchase 17.1 million shares of common stock at the public offering price.

Investments. To the best of Morgan Stanley's knowledge, since 31 March 2009 there are no material principal future investments to which Morgan Stanley's management have already made firm commitments.

2. OVERVIEW OF THE ACTIVITIES

Principal Activities

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments — Institutional Securities, Global Wealth Management Group and Asset Management. Morgan Stanley, through its subsidiaries and affiliates, provides a wide array of products and services to a large and diversified group of clients and customers, including corporations,

governments, financial institutions and individuals. A summary of the activities of each of the segments follows:

Institutional Securities includes capital raising; financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project finance; corporate lending; sales, trading, financing and market-making activities in equity and fixed income securities and related products, including foreign exchange and commodities; benchmark indices and risk management analytics; research; and investment activities.

Global Wealth Management Group provides brokerage and investment advisory services covering various investment alternatives; financial and wealth planning services; annuity and other insurance products; credit and other lending products; cash management services; retirement services; and trust and fiduciary services.

Asset Management provides global asset management products and services in equity, fixed income, alternative investments, which includes hedge funds and funds of funds, and merchant banking, which includes real estate, private equity and infrastructure, to institutional and retail clients through proprietary and third party distribution channels. Asset Management also engages in investment activities.

Discontinued Operations

On 30 June 2007, Morgan Stanley completed the spin-off (the "**Discover Spin-off**") of its business Discover Financial Services ("**DFS**") to its shareholders. The results of DFS are reported as discontinued operations for all periods presented up to the date of the Discover Spin-off. Fiscal 2008 included costs related to a legal settlement between DFS, VISA and MasterCard. The results of Quilter Holdings Ltd., Global Wealth Management Group's former mass affluent business in the U.K., are also reported as discontinued operations for all periods presented up to its sale on 28 February 2007. The results of Morgan Stanley's former aircraft leasing business are also reported as discontinued operations up to 24 March 2006, the date of sale.

Principal Markets

Morgan Stanley conducts its business from its headquarters in New York City, its regional offices and branches throughout the U.S. and its principal offices in London, Tokyo, Hong Kong and other world financial centres.

The severe downturn in global market and economic conditions that occurred during 2008 continued through March 31, 2009. In the U.S, market and economic conditions remained challenged by the contraction of credit and continued to spread deeper into broader asset classes and spanned even further into global capital markets. Equity markets were adversely impacted by lower corporate earnings, the challenging conditions in the credit markets and the lingering uncertainty that froze credit markets in the fourth quarter of 2008. Economic activity in the U.S. was adversely impacted by declines in consumer spending, business investment and the downturn in the commercial and residential real estate market. The unemployment rate increased to 8.5% at March 31, 2009 from 7.2% at December 31, 2008 and 6.8% at November 30, 2008. The Federal Open Market Committee (the "**FOMC**") left key interest rates at historically low levels and at March 31, 2009, the federal funds rate was 0.25% and the discount rate was 0.50%. The FOMC also announced a quantitative easing policy in which the FOMC would purchase securities with the objective of improving conditions within the credit markets by increasing the quantity of money.

In Europe, market and economic conditions continued to be challenged by adverse economic developments, including lower exports, especially in Germany. During the quarter, major European equity market indices were lower as the adverse market events that began in the U.S. spread globally and continued to impact European markets. The euro area unemployment rate increased to 8.9% at March 2009 from 8.2% at December 2008. In December 2008, the European Central Bank ("**ECB**") lowered its

benchmark interest rate by 0.75% to 2.50% and during the quarter it lowered its benchmark interest rate by an additional 1.00% to 1.50%. In December 2008, the Bank of England ("**BOE**") lowered its benchmark interest rate by 1.00% to 2.00% and during the quarter it lowered its benchmark interest rate by an additional 1.50% to 0.50%. The BOE also announced a quantitative easing policy in which the BOE would purchase securities, including U.K. Government Gilts, with the objective of increasing the money supply. In April 2009, the ECB lowered its benchmark interest rate by 0.25% to a record low 1.25% and the BOE maintained its benchmark interest rate at 0.50%.

In Asia, economic and market conditions were also adversely impacted by the severe downturn in the global economy, the adverse developments in global credit markets and the decline in exports in both China and Japan. Despite lower exports, China's economy continued to benefit from domestic demand for capital projects. During the quarter, equity markets in China were higher, while Japanese equity markets ended the quarter lower. The Bank of Japan ("**BOJ**") also announced a quantitative easing policy in which the BOJ would purchase securities with the objective of increasing liquidity and reducing the reliance on short-term funding by providing longer term funding via Japanese government bond purchases.

3. ORGANIZATIONAL STRUCTURE

Morgan Stanley is a holding company that provides, through its subsidiaries and affiliates, its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals, through its subsidiaries and affiliates.

Morgan Stanley's U.S. and international subsidiaries include Morgan Stanley & Co. Incorporated, Morgan Stanley & Co. International plc (formerly "Morgan Stanley & Co. International Limited"), Morgan Stanley Japan Securities Co., Ltd. (formerly "Morgan Stanley Japan Limited") and Morgan Stanley Investment Advisors Inc. On 1 April 2007, Morgan Stanley merged Morgan Stanley DW Inc. into Morgan Stanley & Co. Incorporated. Upon completion of the merger, the surviving entity, Morgan Stanley & Co. Incorporated, became Morgan Stanley's principal U.S. broker-dealer.

Structure of the Group

For information relating to the structure of the Morgan Stanley Group and for the Subsidiaries List see the section entitled "Subsidiaries of Morgan Stanley" set out in Annex I. Investors can find updated information relating to the structure of the Morgan Stanley Group and the Subsidiaries List on <http://www.morganstanley.com/about/ir/index.html>.

4. TREND INFORMATION

Save as disclosed in (i) the information contained in the section entitled "Legal Proceedings" on pages 28 to 31 of the Annual Report of Morgan Stanley on Form 10-K for the fiscal year ended 30 November 2008, (ii) the information contained in the section entitled "Legal Proceedings" on pages 129 to 131 of the Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 31 March 2009, (iii) the information contained in the section entitled "Item 8.01 Other Events" on page 2 of the Current Report on Form 8-K dated 7 May 2009, (iv) the information contained in the sections entitled "Item 8.01 Other Events" on pages 2 and 3 of the two Current Reports on Forms 8-K each dated 8 May 2009, (v) the information contained in the section entitled "Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers" on page 2 of the Current Report on Form 8-K dated 19 May 2009, (vi) the information contained in the section entitled "Item 8.01 Other Events" on pages 2 and 3 of the Current Report on Form 8-K dated 22 May 2009, (vii) the information contained in the sections entitled "Item 1.01 Entry into a Material Definitive Agreement" and "Item 8.01 Other Events" on pages 2 and 3 of the Current Report on Form 8-K dated 29 May 2009 and (viii) the information contained in the section entitled "Item 8.01 Other Events" on page 2 of the Current Report on Form 8-K dated 2 June 2009, there has been no any material adverse change in the prospects of Morgan Stanley and its consolidated subsidiaries since 30 November 2008.

5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Board of directors

The directors of Morgan Stanley as of the date of this Registration Document, their offices, if any, within Morgan Stanley, and their principal outside activity, if any, are listed below. The business address of each director is 1585 Broadway, New York, NY 10036, U.S.A.

| Name | Function within Morgan Stanley | Principal Outside Activity |
|--------------------------|---|---|
| John J. Mack | Chairman of the Board and Chief Executive Officer | John J. Mack does not perform other relevant managerial activities outside Morgan Stanley. |
| Roy J. Bostock | Director | Chairman of The Partnership for a Drug-Free America. Member of the board of directors of Delta Airlines Inc. and Yahoo! Inc. |
| Erskine B. Bowles | Director | Director of General Motors Corporation and Cousins Properties Incorporated. Senior advisor of Carousel Capital LLC, a private investment firm, President of the University of North Carolina. |
| Howard J. Davies | Director | Director of the London School of Economics and Political Science. |
| C. Robert Kidder | Director | Director of Schering-Plough Corporation. Chairman & CEO of 3 Stone Advisors LLC. |
| Donald T. Nicolaisen | Director | Director of MGIC Investment Corporation, Verizon Communications Inc, and Zurich Financial Services. |
| Charles H. Noski | Director | Director of Microsoft Corporation and Air Products and Chemicals, Inc. and Automatic Data Processing Inc. |
| Hutham S. Olayan | Director | President, Chief Executive Officer and Director of Olayan America Corporation. |
| Charles E. Phillips, Jr. | Director | President and Director of Oracle Corporation and Director of |

| Name | Function within Morgan Stanley | Principal Outside Activity |
|--------------------------|--------------------------------|---|
| O. Griffith Sexton | Director | Viacom, Inc. Adjunct Professor of Finance at Columbia Business School; Visiting Lecturer of Princeton University; Director of Investor AB. |
| Dr. Laura D'Andrea Tyson | Director | Professor, Walter A. Haas School of Business, University of California at Berkeley. S.K. and Angela Chan Professor of Global Management. Director of Eastman Kodak Company and AT&T, Inc. |
| Nobuyuki Hirano | Director | Senior managing director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. |

There are no existing or potential conflicts of interest between any duties owed to Morgan Stanley by its directors or by the members of its principal committees and the private interests and/or other external duties owed by these individuals.

During the fiscal year 2008, Morgan Stanley's subsidiaries extended credit in the ordinary course of business to certain of Morgan Stanley's directors, officers and employees and members of their immediate families. These extensions of credit may have been in connection with margin loans, mortgage loans, credit card transactions, revolving lines of credit and other extensions of credit by Morgan Stanley's subsidiaries. The extensions of credit were made on substantially the same terms and conditions, including interest rates and collateral requirements, as those prevailing at the time for comparable transactions with other persons. The extensions would not involve more than the normal risk of collectability or present other unfavourable features. Directors, officers and employees and members of their immediate families who wish to purchase securities and derivative and financial products and financial services may do so through Morgan Stanley's subsidiaries. These subsidiaries may offer them discounts on their standard commission rates or fees. These subsidiaries also, from time to time and in the ordinary course of their business, enter into transactions on a principal basis involving the purchase or sale of securities and derivative products in which Morgan Stanley's directors, officers and employees and members of their immediate families have an interest. These purchases and sales may be made at a discount from the dealer mark-up or mark-down, as the case may be, charged to non-affiliated third parties. In addition, Morgan Stanley may, pursuant to stock repurchase authorizations in effect from time to time, repurchase or acquire shares of Morgan Stanley's common stock in the open market or in privately negotiated transactions, which may include transactions with directors, officers and employees. These transactions are in the ordinary course of business and at prevailing market prices.

Conflicts of interest

Each of FMR, MUFG and State Street beneficially own 5% or more of the outstanding shares of Morgan Stanley common stock as reported under the section "Major Shareholders" herein. On 13 October 2008, Morgan Stanley issued to MUFG 7,839,209 shares of Series B Non-Cumulative Non-Voting Perpetual Convertible Preferred Stock and 1,160,791 shares of Series C Non-Cumulative Non-Voting Perpetual Preferred Stock for an aggregate purchase price of \$9 billion (see section headed "Major Shareholders").

In connection with such issuance, Morgan Stanley and MUFG announced a global strategic alliance and have identified areas of potential collaboration for such alliance, including corporate and investment banking, certain areas of retail banking and asset management, and lending activities such as corporate and project related loans. During fiscal 2008, Morgan Stanley engaged in transactions in the ordinary course of business with each of FMR, MUFG and State Street and certain of their respective affiliates. Such transactions were on substantially the same terms as those prevailing at the time for comparable transactions with unrelated third parties. Morgan Stanley may also engage in transactions, including entering into financial services transactions (e.g., trading in securities, commodities or derivatives) with, and perform investment banking, financial advisory, brokerage, investment management and other services for, entities for which Morgan Stanley's directors and members of their immediate families serve as executive officers, and may make loans or commitments to extend loans to such entities. The transactions are conducted, services are performed, and loans and commitments are made in the ordinary course of business and on substantially the same terms and conditions, including interest rate and collateral, that prevail at the time for comparable transactions with other persons. The loans and commitments do not involve more than the normal risk of collectability or present other unfavourable features.

6. BOARD PRACTICES

Morgan Stanley considers itself to be in compliance with all United States laws relating to corporate governance that are applicable to it.

The Board meets regularly and directors receive information between meetings about the activities of committees and developments in Morgan Stanley's business. All directors have full and timely access to all relevant information and may take independent professional advice if necessary.

The Lead Director is C. Robert Kidder.

The Board's standing committees include the following:

| Committee | Current Members | Primary Responsibilities |
|-----------|---|---|
| Audit | <p>Charles H. Noski (Chair)</p> <p>Howard J. Davies</p> <p>Donald T. Nicolaisen</p> <p>Charles E. Phillips, Jr.</p> | <p>Oversees the integrity of Morgan Stanley's consolidated financial statements, system of internal controls, risk management and compliance with legal and regulatory requirements.</p> <p>Selects, determines the compensation of, evaluates and, when appropriate, replaces the independent auditor, and pre-approves audit and permitted non-audit services.</p> <p>Oversees the qualifications and independence of the independent auditor and performance of Morgan Stanley's internal and independent auditors.</p> <p>After review, recommends to the Board the acceptance and inclusion of the annual audited consolidated financial statements in Morgan Stanley's Annual</p> |

| Committee | Current Members | Primary Responsibilities |
|---|--|--|
| | | Report on Form 10-K. |
| Compensation, Management, Development and Succession ("CMDS") | <p>C. Robert Kidder (Chair)</p> <p>Erskine B. Bowles</p> <p>Donald T. Nicolaisen</p> <p>Stephen Daffron</p> <p>Jay Dweck</p> <p>Luc Francois</p> <p>Rob Rooney</p> | <p>Annually reviews and approves the corporate goals and objectives relevant to the compensation of the Chairman and CEO and evaluates his performance in light of these goals and objectives.</p> <p>Determines the compensation of Morgan Stanley's executive officers and such other officers as deemed appropriate.</p> <p>Administers Morgan Stanley's equity-based compensation plans.</p> <p>Oversees plans for management development and succession.</p> <p>Reviews and discusses the Compensation Discussion and Analysis with management and recommends to the Board its inclusion in the proxy statement.</p> <p>Ensures compliance with applicable aspects of the Emergency Economic Stabilization Act of 2008 with respect to the CMDS Committee's responsibilities related to executive compensation and provides the certification required under the Act.</p> |
| Nominating and Governance | <p>Dr. Laura D'Andrea Tyson (Chair)</p> <p>Hutham S. Olayan</p> <p>Charles E. Philips</p> | <p>Identifies and recommends candidates for election to the Board.</p> <p>Recommends director compensation and benefits.</p> <p>Reviews annually Morgan Stanley's corporate governance policies.</p> <p>Reviews and approves related person transactions in accordance with Morgan Stanley's Related Person Transaction Policy.</p> <p>Recommends director compensation and benefits.</p> |

| Committee | Current Members | Primary Responsibilities |
|------------------|------------------------|--|
| | | Reviews annually Morgan Stanley's corporate governance policies. |

7. MAJOR SHAREHOLDERS

The following table contains information regarding the only persons Morgan Stanley knows of that beneficially own more than 5% of its common stock.

| <u>Name and Address</u> | Shares of Common Stock | |
|---|-------------------------------|----------------|
| | <u>Number</u> | <u>Percent</u> |
| Mitsubishi UFJ Financial Group, Inc. ⁽¹⁾ 7-1, Marunouchi 2-chome Chiyoda-ku, Tokyo 100-8330, Japan | 310,464,033 | 22.86% |
| State Street Bank and Trust Company (State Street) ⁽²⁾ 225 Franklin Street, Boston, MA 02110 | 144,429,478 | 13.4% |
| FMR LLC 82 Devonshire Street, Boston, MA 02109 | 54,349,804 | 5.188% |

(1) Based on the capitalization of Morgan Stanley as of 30 November 2008 and the initial conversion rate of 39.604 shares of common stock per share of Series B Preferred Stock. MUFG filed a Schedule 13D Information Statement on 23 October 2008, as amended on 30 October 2008, disclosing that (i) MUFG acquired 7,839,209 shares of Series B Preferred Stock on 13 October 2008, which may be converted into 310,464,033 shares of common stock at the initial conversion rate, and (ii) based on the number of shares of Morgan Stanley common stock outstanding as of 30 September 2008, MUFG beneficially owned approximately 22.62% of the outstanding shares of Morgan Stanley common stock, assuming full conversion of the Series B Preferred Stock held by MUFG at the initial conversion rate and no conversion of any other securities not beneficially owned by MUFG that are convertible or exchangeable into shares of Morgan Stanley common stock.

(2) Based on a review of the Schedule 13G Information Statement filed on 17 February 2009 by State Street, acting in various fiduciary capacities. The Schedule 13G discloses that State Street had sole voting power as to 43,798,959 shares, shared voting power as to 100,438,041 shares and shared dispositive power as to 144,429,478 shares; that shares held by State Street on behalf of the Trust and a Company-sponsored equity-based compensation program amounted to 9.3% of Morgan Stanley common stock as of 31 December 2008; and that State Street disclaimed beneficial ownership of all shares reported therein.

(3) Based on a review of the Schedule 13G Information Statement filed on 17 February 2009 by FMR LLC, Edward C. Johnson 3d and Fidelity Management & Research Company (Fidelity), a wholly owned subsidiary of FMR LLC. Certain of the shares listed above are beneficially owned by FMR LLC subsidiaries and related entities. The Schedule 13G discloses that members of the Johnson family may be deemed to form a controlling group with respect to FMR LLC and that FMR LLC, Edward C. Johnson 3d and Fidelity, and their respective affiliates, have had sole voting power as to 2,387,235 shares and sole dispositive power as to 54,349,804 shares.

8. LEGAL PROCEEDINGS

In addition to the specific matters described below, in the normal course of business, Morgan Stanley has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or in financial distress.

Morgan Stanley is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding Morgan Stanley's business, including, among other matters, accounting and operated matters, certain of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief.

Morgan Stanley contests liability and/or the amount of damages as appropriate in each pending matter. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, Morgan Stanley cannot predict with certainty the loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, Morgan Stanley believes, based on current knowledge and after consultation with counsel, that the outcome of such pending matters will not have a material adverse effect on the consolidated financial condition of Morgan Stanley, although the outcome of such matters could be material to Morgan Stanley's operating results and cash flows for a particular future period, depending on, among other things, the level of Morgan Stanley's revenues or income for such period.

The following is a summary of item 3 entitled "Legal Proceedings" from Morgan Stanley's Annual Report on Form 10-K for the fiscal year ended 30 November 2008 and item 1 from Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009.

IPO Allocation Matters

Beginning in March 2001, numerous purported class actions, now captioned *In re Initial Public Offering Securities Litigation*, were filed in the U.S. District Court for the Southern District of New York (the "SDNY") against certain issuers of initial public offering ("IPO") securities, certain individual officers of those issuers, Morgan Stanley and other underwriters of those IPOs, purportedly on behalf of purchasers of stock in the IPOs or the aftermarket. These complaints allege that defendants required customers who wanted allocations of "hot" IPO securities to pay undisclosed and excessive underwriters' compensation in the form of increased brokerage commissions and to buy shares of securities offered in the IPOs after the IPOs were completed at escalating price levels higher than the IPO price (a practice plaintiffs refer to as "laddering"), and claim violations of the federal securities laws, including Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Section 10(b) of the Exchange Act. Some of the complaints also allege that continuous "buy" recommendations by the defendants' research analysts improperly increased or sustained the prices at which the securities traded after the IPOs. In February 2003, the underwriter defendants' joint motion to dismiss was denied, except as to certain specified offerings. In December 2006, the U.S. Court of Appeals for the Second Circuit (the "**Second Circuit**") reversed the SDNY's grant of class certification, and ruled that these cases could not be certified for class treatment. In August 2007, plaintiffs filed second consolidated amended class action complaints, which purport to amend the allegations in light of the Second Circuit's reversal of the SDNY's decision approving the cases to proceed as class actions. On 26 March 2008, the underwriter defendants' joint motion to dismiss the second consolidated amended complaint was denied, except as to claims brought under Section 11 of the Securities Act by those plaintiffs who sold securities for a price in excess of the initial offering price and by those plaintiffs who purchased outside the previously certified class period. On 12 September 2008, Morgan Stanley and other defendants reached an agreement in principle

with plaintiffs to settle this matter, subject to final agreement on documentation and court approval. On 2 April 2009, the parties filed a stipulation and agreement of settlement and a motion for preliminary approval of settlement in the SDNY.

In October 2007, numerous derivative actions, purportedly brought on behalf of certain issuers of IPO securities, were filed in the U.S. District Court for the Western District of Washington (the "**Western District of Washington**") against Morgan Stanley and other underwriters of those IPOs. The actions, which consolidated as *In re Section 16(b) Litigation*, seek to recover "short swing" profits allegedly generated in violation of Section 16(b) of the Exchange Act. On 12 March 2009, the Western District of Washington granted motions to dismiss the shareholder derivative actions *In re Section 16(b) Litigation*. In 30 of the cases, the Western District of Washington granted the issuer defendants' motion to dismiss, without prejudice, for lack of standing based on the inadequacy of plaintiff's pre-litigation demand to the issuers. In the remaining 24 cases, the Western District of Washington granted the underwriter defendants' motion to dismiss, with prejudice, based on statute-of-limitations grounds. On 31 March 2009, plaintiffs filed a notice of appeal with respect to each case.

Residential Mortgage-related Matters

Regulatory and Governmental Matters. Morgan Stanley is responding to subpoenas and requests for information from certain regulatory and governmental entities concerning the origination, purchase, securitization and servicing of subprime and non-subprime residential mortgages and related issues.

Class Action. Beginning in March 2007, Morgan Stanley was named as a defendant in several putative class action lawsuits brought under Sections 11 and 12 of the Securities Act related to its role as a member of the syndicates that underwrote offerings of securities and mortgage pass through certificates for certain entities that have been exposed to subprime and other mortgage-related losses. These putative class actions include lawsuits related to (i) New Century Financial Corp. ("**New Century**"), pending in the United States District Court for the Central District of California (the "**Central District of California**"); (ii) Countrywide Financial Corp. and its affiliates, one consolidated lawsuit is pending in the Central District of California and two other lawsuits are pending in the Superior Court of the State of California in Los Angeles; (iii) Merrill Lynch & Co., Inc., pending in the SDNY; (iv) Wachovia Corporation, pending in the United States District Court for the Superior Court of the State of California in Alameda County; (v) Washington Mutual, Inc. ("**Washington Mutual**"), pending in the Western District of Washington; (vi) Fifth Third Bancorp, pending in the United States District Court for the Southern District of Ohio; (vii) Fannie Mae, pending in the SDNY and the District of New Jersey; (viii) Lehman Brothers Holdings Inc. ("**Lehman Brothers**"), pending in the SDNY, the Eastern District of New York and the United States District Courts for the Eastern and Western Districts of Arkansas; (ix) Citigroup, Inc., pending in the SDNY; (x) American International Group, Inc., pending in the SDNY; (xi) Royal Bank of Scotland Group plc pending in the SDNY; and (xii) IndyMac Bank, F.S.B. ("**IndyMac**"), pending in the Superior Court of the State of California in Los Angeles (xiii) Wells Fargo Asset Securities Corporation, pending in the U.S. District Court for the Northern District of California; (xiv) General Electric Co., pending in the SDNY; (xv) Federal Home Loan Mortgage Company, pending in the SDNY; (xvi) Prudential Financial, Inc., pending in the U.S. District Court for the District of New Jersey; (xvii) Deutsche Bank AG, pending in the SDNY; (xviii) Barclays Bank PLC, pending in the SDNY; (xix) Regions Financial Corporation, pending in the SDNY; and (xx) ING Groep NV, pending in the SDNY. The plaintiffs in these actions allege, among other things, that the registration statements and offering documents for the offerings at issue contained various material misstatements or omissions related to the extent to which the issuers were exposed to subprime and other mortgage related risks and other matters and seek various forms of relief, including class certification, unspecified compensatory and rescissionary damages, costs, interest and fees. Morgan Stanley is contractually entitled to be indemnified in connection with these putative class actions by the entities that offered the securities at issue, but four of these entities. New Century, Lehman Brothers, Washington Mutual and IndyMac, have filed for bankruptcy and this may decrease or eliminate the value of the indemnities that Morgan Stanley received from these four entities. Morgan Stanley's exposure to potential losses in these cases may be impacted by various factors including, among other things, the financial condition of the entities that issued the

securities and mortgage pass through certificates at issue, the financial condition of co-defendants and the willingness and ability of the issuers to indemnify the underwriter defendants. On 3 December 2008, the court in the case related to New Century, which is styled *In Re New Century*, denied the underwriter defendants' motion to dismiss the second amended consolidated class action complaint.

On 8 December 2008, Morgan Stanley and the underwriter defendants filed a motion to dismiss the consolidated class action complaint in the case related to Washington Mutual, which is styled *In Re Washington Mutual, Inc. Securities Litigation*, pending in the Western District of Washington. Plaintiffs are asserting Securities Act claims on behalf of a purported class and allege, among other things, that there were materially false and misleading statements in the registration statements and other offering documents related to several offerings of debt and equity securities issued by Washington Mutual, Inc. between August 2006 and December 2007, and are seeking, among other relief, class certification, unspecified compensatory and rescissory damages, costs, interest and fees. Morgan Stanley underwrote approximately \$1.6 billion of the principal amount of the offerings at issue.

On 9 February 2009, the United States Judicial Panel on Multidistrict Litigation issued an order transferring the putative class actions against Morgan Stanley and other financial institutions related to their role as alleged underwriters for securities issued by Lehman Brothers, previously pending in the United States District Courts for the Western and Eastern Districts of Arkansas and the Eastern District of New York, to the SDNY, where they have been consolidated with other securities claims in the SDNY under the caption *In re: Lehman Brothers Equity/Debt Securities Litigation*. Plaintiffs are asserting Securities Act claims on behalf of a purported class and allege, among other things, that the registration statements and offering documents for certain Lehman offerings in 2007 and 2008 contained false and misleading statements and seek, among other relief, class certification, unspecified compensatory and rescissory damages, costs, interest and fees. On 27 April 2009, Morgan Stanley and the other underwriter defendants moved to dismiss these claims. Morgan Stanley underwrote over \$200 million of the principal amount of the offerings at issue.

On 4 March 2009, Morgan Stanley and the other underwriter defendants removed a case styled *IBEW Local 103 v. IndyMac MBS, Inc.*, from the Superior Court of California in Los Angeles to the Central District of California. This case relates to the offerings of mortgage pass through certificates issued by seven trusts sponsored by affiliates of IndyMac during 2006 and 2007. Plaintiffs are asserting Securities Act claims on behalf of a purported class and allege, among other things, that the registration statements and offering documents contained false and misleading information concerning the pools of residential loans backing these securitizations, and are seeking, among other relief, class certification, unspecified compensatory and rescissory damages, costs, interest and fees. Morgan Stanley underwrote over \$2.4 billion of the principal amount of the offerings at issue.

Beginning in December 2007, several purported class action complaints were filed in SDNY asserting claims on behalf of participants in Morgan Stanley's 401(k) plan and employee stock ownership plan against Morgan Stanley and other parties, including certain present and former directors and officers, under the Employee Retirement Income Security Act of 1974 ("**ERISA**"). The complaints relate in large part to subprime-related losses, and allege, among other things, that Morgan Stanley's stock was not a prudent investment and that risks associated with its stock and its financial condition were not adequately disclosed. On 11 February 2008, all of the pending actions asserting claims under ERISA related to Morgan Stanley's 401(k) and employee stock ownership plan were consolidated in a single proceeding in the SDNY, which is styled *In re Morgan Stanley ERISA Litigation*. On 25 July 2008, the plaintiffs filed a consolidated complaint, which defendants have moved to dismiss. The consolidated complaint in this action relates in large part to Morgan Stanley's subprime and other mortgage related losses, but also includes allegations regarding Morgan Stanley's disclosures, internal controls, accounting and other matters.

On 12 February 2008, a plaintiff filed a purported class action, which was amended on 24 November 2008, naming Morgan Stanley and certain present and former senior executives as defendants and alleging claims for, among other things, violations of the securities laws related in large part to Morgan

Stanley's sub-prime related losses. The amended complaint, which is styled *Joel Stratte-McClure, et al. v. Morgan Stanley, et al.*, was pending in the Central District of California. Subject to certain exclusions, the amended complaint purports to assert claims under the federal securities laws on behalf of a purported class of persons and entities who purchased shares of Morgan Stanley common stock during the period 20 June 2007 to 19 December 2007 and who suffered damages as a result of such purchases. The allegations in the amended complaint relate in large part to Morgan Stanley's sub-prime and other mortgage related losses, but also include allegations regarding Morgan Stanley's disclosures, internal controls, accounting and other matters. On 23 January 2009, the Central District of California ordered that *Joel Stratte-McClure, et al. v. Morgan Stanley, et al.*, be transferred to the SDNY, where it is currently pending.

On 2 December 2008, a plaintiff filed a purported class action against Morgan Stanley, certain present and former officers and other defendants asserting claims under Sections 11, 12 and 15 of the Securities Act. The lawsuit, which is styled *Public Employees' Retirement System of Mississippi v. Morgan Stanley, et al.*, was filed in the Superior Court of the State of California for Orange County. On 31 December 2008, the defendants removed the case to federal court in the Central District of California. On 6 March 2009, the Central District of California ordered that the case be transferred to the SDNY, where it is currently pending. Plaintiffs allege, among other things, that the registration statements and offering documents related to the offerings of over \$8 billion in 130 mortgage pass through certificates in 2006 contained false and misleading information concerning the pools of residential loans that backed these securitizations, and are seeking, among other relief, unspecified compensatory and rescissionary damages, costs, interest and fees.

Shareholder Derivative Matter. A shareholder derivative lawsuit was filed in the SDNY during November 2007 asserting claims related in large part to losses caused by certain sub-prime-related trading positions and related matters. The complaint in that lawsuit, which is styled *Steve Staehr, Derivatively on Behalf of Morgan Stanley v. John J. Mack, et al.*, was served on Morgan Stanley on 15 February 2008. On 18 July 2008, the plaintiff filed an amended complaint, which defendants have moved to dismiss.

Other Matters. Morgan Stanley, along with a number of other financial institutions, has been named as a defendant in a lawsuit brought by the City of Cleveland, Ohio, alleging defendants' activities in connection with securitizations of sub-prime loans created a "public nuisance" in Cleveland. The lawsuit has been removed to United States District Court for the Northern District of Ohio and the defendants have moved to dismiss the complaint.

Auction Rate Securities Matters

On 25 March 2008, a putative class action complaint, which is styled *Miller v. Morgan Stanley & Co. Incorporated*, was filed in the SDNY purportedly on behalf of persons who acquired auction rate securities ("ARS") from Morgan Stanley from 25 March 2003 through 13 February 2008 and who were allegedly damaged thereby. The complaint alleges, among other things, that Morgan Stanley failed to disclose material facts with respect to ARS and thereby violated Section 10(b) of the Exchange Act and SEC Rule 10b-5. The complaint seeks damages, attorneys' fees, and rescission.

On 31 March 2008, a similar action, which is styled *Jamail v. Morgan Stanley, et al.*, was filed in the same court seeking damages, attorneys' fees and equitable and/or injunctive relief. The plaintiffs in this case voluntarily dismissed each complaint without prejudice on February 13, February 27, and March 2, 2009, respectively.

On 28 May 2008, a third putative class action, which is styled *Bartholomew v. Morgan Stanley et al.*, was filed in the SDNY purportedly on behalf of individuals who allegedly had their ARS "frozen" by Morgan Stanley and who have been damaged thereby. The complaint alleges, among other things, that Morgan Stanley made misrepresentations and omissions with respect to ARS and breached a fiduciary duty to the putative class by failing to participate in auctions and asserts claims under the Investment Advisers Act of 1940 and state law. The complaint seeks damages, disgorgement, attorneys' fees and a declaration that Morgan Stanley's ARS transactions with the putative class members are void.

On 2 February 2009, the consolidated shareholder derivative complaint, now styled *In re Morgan Stanley & Co. Inc. Auction Rate Securities Derivative Litigation*, was filed in the SDNY. On 23 March 2009, defendants filed a motion to dismiss the consolidated complaint.

Morgan Stanley also received requests for documents and information from various government agencies regarding ARS and is cooperating with the investigations. On 13 August 2008, Morgan Stanley reached an agreement in principle with the Office of the New York State Attorney General and Office of the Illinois Secretary of State, Securities Department (on behalf of a task force of other states under the auspices of the North American Securities Administration Association) in connection with the proposed settlement of their investigations relating to the sale of ARS. Morgan Stanley agreed, among other things to: (1) repurchase at par illiquid ARS that were purchased by certain retail clients prior to 13 February 2008; (2) pay certain retail clients that sold ARS below par the difference between par and the price at which the clients sold the securities; (3) arbitrate, under special procedures, claims for consequential damages by certain retail clients; (4) refund refinancing fees to certain municipal issuers of ARS; and (5) pay a total penalty of \$35 million. A separate investigation of these matters by the SEC remains ongoing.

On 27 August 2008, a shareholder complaint, which is styled *Louisiana Municipal Police Employees Retirement System v. Mack, et al.*, was filed in the SDNY. On 12 September 2008, a second complaint, which is styled *Thomas v. Mack, et al.*, was filed in the SDNY. The complaints are substantially similar and name as defendants the members of Morgan Stanley's Board of Directors as well as certain current and former officers. Morgan Stanley, on whose behalf the suits are purportedly brought, is named as a nominal defendant in each action. The complaints raise claims of breach of fiduciary duty, abuse of control, gross mismanagement and violation of Section 10(b) and Rule 10b-5 of the Exchange Act related to Morgan Stanley's sale of ARS over the period from 20 June 2007 to the present. Among other things, the complaints allege that, over the relevant period, Morgan Stanley's public filings and statements were materially false and misleading in that they failed to disclose the illiquid nature of its ARS inventories and that Morgan Stanley's practices in the sale of ARS exposed it to significant liability for settlements and judgments. The complaints also allege that during the relevant period certain defendants sold Morgan Stanley's stock while in possession of material non-public information. The complaints seek, among other things, unspecified compensatory damages, restitution from the defendants with respect to compensation, benefits and profits obtained and the institution of certain reforms to Morgan Stanley's internal control functions. On 24 November 2008, the SDNY ordered the consolidation of the two actions.

Environmental Matters

On 29 October 2008, the U.S. Environmental Protection Agency ("EPA") sent Morgan Stanley a proposed administrative settlement agreement to resolve certain violations of the U.S. environmental laws allegedly committed by Morgan Stanley during 2005. These alleged violations include: distribution of approximately 2.7 million gallons of reformulated gasoline that failed to comply with maximum benzene content limitations; failure to report volume and property information for each batch of gasoline blendstock imported and reformulated gasoline produced; failure to conduct an annual attest engagement and failure to provide product transfer documents for each transfer of reformulated gasoline and each batch of previously certified gasoline. The EPA has proposed a civil penalty of \$599,000 to resolve these matters. Morgan Stanley believes that the proposed penalty fails to adequately take into consideration certain mitigating factors and other information and is continuing to communicate with the EPA regarding the resolution of this matter.

Save as disclosed in the paragraphs beginning with "IPO Allocation Matters" in item 3 entitled "Legal Proceedings" from Morgan Stanley's Annual Report on Form 10-K for the fiscal year ended 30 November 2008 and in the paragraphs beginning with "IPO Allocation Matters" in item 1 entitled "Legal Proceedings" from Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009, there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley is aware) during the 12-month period before the date of this Registration Document

which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley.

9. ADDITIONAL INFORMATION

Auditors

The auditors of Morgan Stanley for the periods 1 December 2006 to 30 November 2007 and 1 December 2007 to 30 November 2008 were Deloitte & Touche LLP, Two World Financial Center, New York, New York 10281, USA, an independent registered public accounting firm (the "Auditors").

The Auditors have audited the consolidated financial statements of Morgan Stanley as of 30 November 2008 and 2007, and for each of the two years in the period ended 30 November 2008 and Morgan Stanley's internal control over financial reporting as of 30 November 2008, and have issued reports thereon dated 28 January 2009 (such report on the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph, concerning the adoption of Statement of Financial Accounting Standards No. 157, "Fair Value Measurement" ("**SFAS No. 157**") and Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115" ("**SFAS No. 159**") and, an explanatory paragraph, concerning the adoption of Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("**SFAS No. 158**") and, an explanatory paragraph, concerning the adoption of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("**FIN 48**")); such consolidated financial statements and reports are included in this 2008 Annual Report on Form 10-K. The audits also included Schedule I listed in the Index to Financial Statements and Financial Statement Schedules. Based on their audits, the Auditors expressed their opinion that such financial statement schedule, when consolidated in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

The Auditors are registered with the Public Company Accounting Oversight Board (United States).

Change in Fiscal Year End

On 16 December 2008, the Board of Directors of Morgan Stanley approved a change in Morgan Stanley's fiscal year end from 30 November to 31 December of each year. This change to the calendar year reporting cycle began 1 January 2009. As a result of the change, Morgan Stanley had a one-month transition period in December 2008. The unaudited results for the one-month period ended 31 December 2008 are included in Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009. The unaudited results for the one-month period ended 31 December 2008 will be included in Morgan Stanley's Annual Report on Form 10-K for the fiscal year ending 31 December 2009.

Significant changes in the financial position of Morgan Stanley

Save as disclosed in (i) the information contained in the section entitled "Item 8.01 Other Events" on page 2 of the Current Report on Form 8-K dated 7 May 2009, (ii) the information contained in the sections entitled "Item 8.01 Other Events" on pages 2 and 3 of the two Current Reports on Forms 8-K each dated 8 May 2009, (iii) the information contained in the section entitled "Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers" on page 2 of the Current Report on Form 8-K dated 19 May 2009, (iv) the information contained in the section entitled "Item 8.01 Other Events" on pages 2 and 3 of the Current Report on Form 8-K dated 22 May 2009, (v) the information contained in the sections entitled "Item 1.01 Entry into a Material Definitive Agreement" and "Item 8.01 Other Events" on pages 2 and 3 of the Current Report on Form 8-K dated 29 May 2009 and (vi) the information contained in the section entitled "Item 8.01 Other Events" on page 2 of the Current Report on Form 8-K dated 2 June 2009, there has been no

significant change in the financial or trading position of Morgan Stanley and its consolidated subsidiaries from the date of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009.

Share capital

The authorised share capital of Morgan Stanley at 30 November 2008 comprised 3,500,000,000 ordinary shares of nominal value U.S. \$0.01 and 30,000,000 preferred stock of nominal value U.S. \$0.01.

The issued, non-assessable and fully paid up share capital of Morgan Stanley at 30 November 2008 comprised 1,211,701,552 ordinary shares of nominal value U.S. \$0.01.

Certificate of Incorporation

Morgan Stanley's objects and purposes are set out in Article III of its Certificate of Incorporation and enable it to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

Selected Financial Information

Economic Capital

Morgan Stanley's economic capital framework estimates the amount of equity capital required to support the businesses over a wide range of market environments while simultaneously satisfying regulatory, rating agency and investor requirements. The framework will evolve over time in response to changes in the business and regulatory environment and to incorporate enhancements in modelling techniques.

Economic capital is assigned to each business segment and sub-allocated to product lines. Each business segment is capitalised as if it were an independent operating entity. This process is intended to align equity capital with the risks in each business in order to allow senior management to evaluate returns on a risk-adjusted basis (such as return on equity and shareholder value added).

Economic capital is based on regulatory capital usage plus additional capital for stress losses. Morgan Stanley assesses stress loss capital across various dimensions of market, credit, business and operational risks. Economic capital requirements are met by regulatory Tier 1 capital. The difference between Morgan Stanley's Tier 1 capital and aggregate economic capital requirements denotes Morgan Stanley's unallocated capital position.

The following table presents Morgan Stanley's allocated average Tier 1 capital ("**economic capital**") and average common equity for the fiscal year ended 30 November 2008 ("**fiscal 2008**") and the fiscal year ended 30 November 2007 ("**fiscal 2007**"):

| | Fiscal 2008 | | Fiscal 2007 | |
|----------------------------------|------------------------------|-----------------------|------------------------|-----------------------|
| | Average Tier 1 capital | Average common equity | Average Tier 1 capital | Average common equity |
| | <i>(dollars in billions)</i> | | | |
| Institutional Securities | \$25.9 | \$23.3 | \$24.6 | \$23.9 |
| Global Wealth Management Group | 1.7 | 1.5 | 1.5 | 1.7 |
| Asset Management | 3.7 | 3.9 | 2.7 | 3.5 |
| Unallocated capital | 6.6 | 4.9 | 2.9 | 2.9 |
| Total from continuing operations | 37.9 | 33.6 | 31.7 | 32.0 |
| Discontinued operations | — | — | 2.7 | 3.2 |

| | | | | |
|-------|---------------|---------------|---------------|---------------|
| Total | <u>\$37.9</u> | <u>\$33.6</u> | <u>\$34.4</u> | <u>\$35.2</u> |
|-------|---------------|---------------|---------------|---------------|

Overview of Fiscal 2008 Financial Results

Morgan Stanley recorded net income of \$1,707 million in fiscal 2008, a 47% decrease from \$3,209 million in the prior year. Net revenues (total revenues less interest expense) decreased 12% to \$24,739 million in fiscal 2008. Non-interest expenses decreased 9% to \$22,452 million from the prior year, primarily due to lower compensation costs, partly offset by goodwill and intangible asset impairment charges. Compensation and benefits expense decreased 26%, primarily reflecting lower incentive-based compensation accruals due to lower new revenues in certain of Morgan Stanley's businesses. Diluted earnings per share were \$1.54 compared with \$2.37 last year. The return on average common equity in fiscal 2008 was 4.9% compared with 8.9% in the prior year. The return on average common equity from continuing operations for fiscal 2008 was 5.2% compared with 7.8% in fiscal 2007.

Morgan Stanley's effective income tax rate from continuing operations was 21.0% in fiscal 2008 compared with 24.5% in fiscal 2007. The decrease primarily reflected lower earnings and a change in the geographic mix of earnings, partly offset by an increase in the rate due to the goodwill impairment charges (see Note 6 to the consolidated financial statements included in Morgan Stanley's Annual Report on Form 10-K for the fiscal year ended 30 November 2008).

10. RELEVANT AGREEMENTS

There is no relevant agreement, entered into by Morgan Stanley outside the scope of its business, likely to determine for the members of the group obligations or rights that may have a significant impact on Morgan Stanley's ability to fulfil the obligation under the financial instruments to be issued towards the relevant holders.

11. INFORMATION GIVEN BY THIRD PARTIES, EXPERTS' VALUATIONS AND DECLARATION OF INTERESTS

This Registration Document does not contain any information given by third parties, experts' valuation or declaration of interests other than the reports of the auditors. For further details see section "Auditors" above.

SELECTED FINANCIAL INFORMATION OF MORGAN STANLEY

This section contains income statement data on Morgan Stanley for the fiscal years ended 30 November 2008 and 2007 and balance sheet data as of 30 November 2008 and 2007 that have been derived from the audited financial statements included in Morgan Stanley's Annual Report on Form 10-K for the fiscal year ended 30 November 2008.

Selected financial information of Morgan Stanley relating to the fiscal years ended on 30 November 2007 and on 30 November 2008 taken from the Annual Report on Form 10-K for the fiscal year ended on 30 November 2008

Consolidated Statements of Financial Condition
(dollars in millions, except share data)

| | <u>30 November 2008</u> | <u>30 November 2007</u> |
|--|-----------------------------|-----------------------------|
| Assets | | |
| Cash and due from banks | \$ 11,276 | \$ 7,248 |
| Interest bearing deposits with banks..... | 67,378 | 18,350 |
| Cash and securities deposited with clearing organizations or segregated under federal and other regulations or requirements (including securities at fair value of \$33,642 in 2008 and \$31,354 in 2007)..... | 59,088 | 61,608 |
| Financial instruments owned, at fair value (approximately \$62 billion in 2008 and \$131 billion in 2007 were pledged to various parties): | | |
| U.S. government and agency securities | 20,251 | 23,887 |
| Other sovereign government obligations | 20,071 | 21,606 |
| Corporate and other debt..... | 88,484 | 147,724 |
| Corporate equities | 37,174 | 87,377 |
| Derivative and other contracts | 99,766 | 77,003 |
| Investments | 10,375 | 14,270 |
| Physical commodities | 2,204 | 3,096 |
| Total financial instruments owned, at fair value | <u>278,325</u> | <u>374,963</u> |
| Securities received as collateral, at fair value..... | 5,217 | 82,229 |
| Federal funds sold and securities purchased under agreements to resell | 72,777 | 126,887 |
| Securities borrowed | 85,785 | 239,994 |
| Receivables: | | |
| Customers | 31,294 | 76,352 |
| Brokers, dealers and clearing organizations | 7,259 | 16,011 |
| Other loans..... | 6,528 | 11,629 |
| Fees, interest and other | 7,034 | 8,320 |
| Other investments..... | 3,309 | 4,524 |
| Premises, equipment and software costs (net of accumulated depreciation of \$3,003 in 2008 and \$3,449 in 2007) | 5,057 | 4,372 |
| Goodwill..... | 2,243 | 3,024 |
| Intangible assets (net of accumulated amortization of \$200 in 2008 and \$175 in 2007) (includes \$220 and \$428 at fair value in 2008 and 2007, respectively)..... | 895 | 1,047 |
| Other assets | 15,347 | 8,851 |
| Total assets | <u>\$ 658,812</u> | <u>\$ 1,045,409</u> |

Consolidated Statements of Financial Condition (Continued)
(dollars in millions, except share data)

| | 30 November 2008 | 30 November 2007 |
|--|-----------------------------|-----------------------------|
| Liabilities and Shareholders' Equity | | |
| Commercial paper and other short-term borrowings (includes \$1,412 and \$3,068 at fair value in 2008 and 2007, respectively) | \$ 10,483 | \$ 34,495 |
| Deposits (includes \$6,008 and \$3,769 at fair value in 2008 and 2007, respectively)..... | 42,755 | 31,179 |
| Financial instruments sold, not yet purchased, at fair value: | | |
| U.S. government and agency securities | 10,156 | 8,221 |
| Other sovereign government obligations | 9,360 | 15,627 |
| Corporate and other debt..... | 9,361 | 7,592 |
| Corporate equities | 16,547 | 30,899 |
| Derivative and other contracts | 73,521 | 71,604 |
| Physical commodities | - | 398 |
| | 118,945 | 134,341 |
| Total financial instruments sold, not yet purchased, at fair value . | | |
| Obligation to return securities received as collateral, at fair value . | 5,217 | 82,229 |
| Securities sold under agreements to repurchase | 102,401 | 162,840 |
| Securities loaned..... | 14,821 | 110,423 |
| Other secured financings, at fair value | 12,527 | 27,772 |
| Payables: | | |
| Customers | 115,225 | 203,453 |
| Brokers, dealers and clearing organizations | 3,141 | 10,454 |
| Interest and dividends | 2,584 | 1,724 |
| Other liabilities and accrued expenses..... | 16,445 | 24,606 |
| Long-term borrowings (includes \$28,830 and \$38,392 at fair value in 2008 and 2007, respectively) | 163,437 | 190,624 |
| | 607,981 | 1,014,140 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Preferred stock..... | 19,155 | 1,100 |
| Common stock, \$0.01 par value; | | |
| Shares authorized: 3,500,000,000 in 2008 and 2007; | | |
| Shares issued: 1,211,701,552 in 2008 and 2007; | | |
| Shares outstanding: 1,047,598,394 in 2008 and 1,056,289,659 in 2007 | 12 | 12 |
| Paid-in capital | 1,619 | 1,902 |
| Retained earnings..... | 38,096 | 38,045 |
| Employee stock trust..... | 3,901 | 5,569 |
| Accumulated other comprehensive loss..... | (125) | (199) |
| Common stock held in treasury, at cost, \$0.01 par value; | | |
| 164,103,158 shares in 2008 and 155,411,893 shares in 2007 | (7,926) | (9,591) |
| Common stock issued to employee trust..... | (3,901) | (5,569) |
| | 50,831 | 31,269 |
| Total liabilities and shareholders' equity | \$ 658,812 | \$ 1,045,409 |

Consolidated Statements of Income
(dollars in millions, except share data)

| | Fiscal Year | | |
|---|-----------------|-----------------|-----------------|
| | 2008 | 2007 | 2006 |
| Revenues: | | | |
| Investment banking..... | \$ 4,092 | \$ 6,368 | \$ 4,755 |
| Principal transactions: | | | |
| Trading..... | 5,452 | 3,206 | 11,805 |
| Investments | (4,192) | 3,262 | 1,807 |
| Commissions..... | 4,463 | 4,682 | 3,770 |
| Asset management, distribution and administration fees | 5,660 | 6,519 | 5,238 |
| Other | 6,062 | 1,161 | 545 |
| Total non-interest revenues | <u>21,537</u> | <u>25,198</u> | <u>27,920</u> |
| Interest and dividends | 40,725 | 60,083 | 42,776 |
| Interest expense | 37,523 | 57,302 | 40,897 |
| Net interest | <u>3,202</u> | <u>2,781</u> | <u>1,879</u> |
| Net revenues | <u>24,739</u> | <u>27,979</u> | <u>29,799</u> |
| Non-interest expenses: | | | |
| Compensation and benefits..... | 12,306 | 16,552 | 13,986 |
| Occupancy and equipment..... | 1,359 | 1,130 | 912 |
| Brokerage, clearing and exchange fees..... | 1,659 | 1,656 | 1,305 |
| Information processing and communications | 1,241 | 1,193 | 1,089 |
| Marketing and business development..... | 776 | 813 | 643 |
| Professional services..... | 1,837 | 2,112 | 1,889 |
| Other | 3,274 | 1,129 | 911 |
| Total non-interest expenses | <u>22,452</u> | <u>24,585</u> | <u>20,735</u> |
| Income from continuing operations before income taxes..... | 2,287 | 3,394 | 9,064 |
| Provision for income taxes | 480 | 831 | 2,729 |
| Income from continuing operations..... | <u>1,807</u> | <u>2,563</u> | <u>6,335</u> |
| Discontinued operations: | | | |
| Net (loss) gain from discontinued operations..... | (100) | 1,024 | 1,666 |
| Provision for income taxes | - | 378 | 529 |
| Net (loss) gain on discontinued operations | <u>(100)</u> | <u>646</u> | <u>1,137</u> |
| Net income | <u>\$ 1,707</u> | <u>\$ 3,209</u> | <u>\$ 7,472</u> |
| Earnings applicable to common shareholders..... | <u>\$ 1,588</u> | <u>\$ 3,141</u> | <u>\$ 7,453</u> |
| Earnings per basic common share: | | | |

| | Fiscal Year | | |
|---|----------------------|----------------------|----------------------|
| | 2008 | 2007 | 2006 |
| Income from continuing operations ... \$ | 1.64 | \$ 2.49 | \$ 6.25 |
| (Loss) gain on discontinued operations..... | (0.10) | 0.64 | 1.13 |
| Earnings per basic common share | <u>1.54</u> | <u>\$ 3.13</u> | <u>\$ 7.38</u> |
| Earnings per diluted common share: | | | |
| Income from continuing operations ... \$ | 1.54 | \$ 2.37 | \$ 5.99 |
| (Loss) gain on discontinued operations..... | (0.09) | 0.61 | 1.08 |
| Earnings per diluted common share..... | <u>1.45</u> | <u>\$ 2.98</u> | <u>\$ 7.07</u> |
| Average common shares outstanding: | | | |
| Basic | <u>1,028,180,275</u> | <u>1,001,878,651</u> | <u>1,010,254,255</u> |
| Diluted | <u>1,095,704,880</u> | <u>1,054,240,169</u> | <u>1,054,796,062</u> |

DESCRIPTION OF MORGAN STANLEY (JERSEY) LIMITED.

History and Development

Morgan Stanley (Jersey) Limited ("**Morgan Stanley Jersey**") was incorporated in St. Helier, Jersey, Channel Islands (registration number 35857) as a company with unlimited duration on 24 September 1986. It has its registered office at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands, telephone number +44 (0)1534 609000.

Legislation

Morgan Stanley Jersey is subject to the Companies (Jersey) Law 1991, as amended.

Investments

All material assets of Morgan Stanley Jersey are obligations of (or securities issued by) one or more companies in the Morgan Stanley Group.

Principal Activities

Morgan Stanley Jersey's business primarily consists of issuing financial instruments and the hedging of obligations relating thereto.

Principal Markets

Morgan Stanley Jersey conducts its business from Jersey. All material assets of Morgan Stanley Jersey are obligations of (or securities issued by) one or more companies in the Morgan Stanley Group. Morgan Stanley Jersey does not undertake such business on a competitive basis, however as a member of the Morgan Stanley Group it is indirectly affected by some of the competitive pressures that apply to Morgan Stanley. See "Morgan Stanley" above for further details.

Auditors

Morgan Stanley Jersey's auditors are Deloitte & Touche LLP, Chartered Accountants and Registered Auditors.

Organizational Structure

Morgan Stanley Jersey has no subsidiaries and is wholly owned by Morgan Stanley.

Trend Information

Morgan Stanley Jersey intends to continue issuing securities and entering hedges in respect of such issues of securities.

There has been no significant change in the financial or trading position, nor any material adverse change in the prospects of, Morgan Stanley Jersey since 31 December 2008.

Litigation

There are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley Jersey (including any such proceedings which are pending or threatened of which Morgan Stanley Jersey is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley Jersey.

Management

The directors of Morgan Stanley Jersey are Joel Hodes, R.D.C. Jackson-Proes and H. Hermann. The business address of the directors is 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands. The directors of Morgan Stanley Jersey, their respective business addresses and principal outside activities as at the date hereof are:

| <i>Name</i> | <i>Principal Outside Activity</i> |
|----------------------|------------------------------------|
| Joel Hodes | Managing Director, Morgan Stanley |
| R.D.C. Jackson-Proes | Executive Director, Morgan Stanley |
| H. Hermann | Executive Director, Morgan Stanley |

There are no existing or potential conflicts of interest between any duties owed to Morgan Stanley Jersey by its management (as described above) and the private interests and/or other external duties owed by these individuals.

The secretary of Morgan Stanley Jersey is Mourant & Co. Secretaries Limited of 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands.

Morgan Stanley Jersey has no employees.

Board Practice

Morgan Stanley Jersey considers itself to be in compliance with all Jersey laws relating to corporate governance that are applicable to it.

As of the date of this Registration Document, Morgan Stanley Jersey does not have an audit committee.

Shareholders

Morgan Stanley Jersey is wholly owned by Morgan Stanley. Morgan Stanley Jersey is not aware of any control measures with respect to such shareholder control. All decisions to issue securities are taken by the Board and Morgan Stanley Jersey earns a spread on all its issues of securities.

Share Capital

At 31 December 2008, the authorised share capital of Morgan Stanley Jersey comprised an unlimited number of shares of no par value designated as ordinary shares, an unlimited number of shares of no par value designated as nominal shares and an unlimited number of shares of no par value designated as unclassified shares available for issue as separate classes of preference shares.

Memorandum and Articles of Association

Morgan Stanley Jersey's objects and purposes are not specified in any document and are therefore unlimited.

Selected Financial Information

The profit or loss before tax for the financial years ended 30 November 2007 and 31 December 2008 was nil and nil respectively. The current assets of Morgan Stanley Jersey have fallen from U.S.\$ 5,729,417,000 in 2007 to U.S.\$ 5,273,799,000 in 2008 with total creditors falling from U.S.\$ 5,728,961,000 in 2007 to U.S.\$ 5,273,343,000 in 2008.

DESCRIPTION OF MORGAN STANLEY B.V.

History and Development

Morgan Stanley B.V. was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 6 September 2001 for an unlimited duration. MSBV is registered at the commercial register of the Chamber of Commerce and Industries (*Kamer van Koophandel*) for Amsterdam under number 34161590. It has its corporate seat at Amsterdam, The Netherlands and its offices are located at Locatellikade 1, 1076 AZ Amsterdam, The Netherlands. Its telephone number is +31 20 57 55 600.

Legislation

MSBV is incorporated under, and subject to, the laws of The Netherlands.

Investments

All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley group companies. MSBV has not made any principal investments since the date of the last published financial statements.

Principal Activities

MSBV's objects and purposes are, *inter alia*, to issue notes, warrants and other securities.

Principal Markets

MSBV conducts its business from The Netherlands. All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley group companies. MSBV does not undertake such business on a competitive basis, however as a member of the Morgan Stanley group it is indirectly affected by some of the competitive pressures that apply to Morgan Stanley. See "Description of Morgan Stanley" above for further details.

Organizational Structure

MSBV has no subsidiaries. It is ultimately controlled by Morgan Stanley.

Trend Information

MSBV intends to continue issuing securities and entering hedges in respect of such issues of securities. There has been no significant change in the financial or trading position, nor any material adverse change in the prospects, of MSBV since 30 November 2008.

Litigation

There are no, nor have there been, any governmental, legal or arbitration proceedings involving MSBV (including any such proceedings which are pending or threatened of which MSBV is aware) during the 12-month period before the date of this Registration Document, involving MSBV which may have, or have had in the recent past, a significant effect on the financial position or profitability of MSBV.

Management

The current directors of MSBV, their offices, if any, within MSBV, and their principal outside activity, if any, are listed below. The business address of each director is Locatellikade 1, 1076 AZ Amsterdam, The Netherlands.

| <i>Name</i> | <i>Title</i> | <i>Principal Outside Activity</i> |
|----------------------|--------------|---|
| J. A. Solan | Director | Vice President, Finance, Morgan Stanley |
| R.D.C. Jackson-Proes | Director | Executive Director, Morgan Stanley |
| J.Y. Bahurel | Director | Managing Director, Morgan Stanley |
| TMF Management B.V. | Director | Dutch corporate service provider |
| H. Herrmann | Director | Executive Director, Morgan Stanley |

Directors of TMF Management B.V.

| | | |
|----------------------------|-------------------|--------------------------------|
| F.A.J. van Oers | Managing Director | Employee of TMF Nederland B.V. |
| M.C. van der Sluijs-Plantz | Managing Director | Employee of TMF Nederland B.V. |
| J.R. de Vos van Steenwijk | Managing Director | Employee of TMF Nederland B.V. |
| T.J. Van Rijn | Managing Director | Employee of TMF Nederland B.V. |
| R.W. de Koning | Managing Director | Employee of TMF Nederland B.V. |
| J.C.J. van der Woord | Managing Director | Employee of Tradman FS B.V. |

MSBV is not aware of any existing or potential conflicts of interest between any duties owed to MSBV by its management (as described above) and the private interests and/or other external duties owed by these individuals.

Board Practice

MSBV considers itself to be in compliance with all Dutch laws relating to corporate governance that are applicable to it.

As of the date of this Registration Document, MSBV does not have an audit committee. The accounts of MSBV are approved by the Board of MSBV.

Major Shareholders

MSBV is ultimately controlled by Morgan Stanley. MSBV is not aware of any control measures with respect to such shareholder control. All decisions to issue securities are taken by the Board and MSBV earns a spread on all its issues of securities.

Share Capital

The authorised share capital of MSBV comprises 400,000 ordinary shares of nominal value EUR 100.

The issued, allotted and fully paid up share capital of MSBV comprises 150,180 ordinary shares of nominal value EUR100.

Articles of Association

MSBV's objects and purposes are set out in Article 3 of its Articles of Association and enable it to issue, sell, purchase, transfer and accept warrants, derivatives, certificates, debt securities, equity securities and/or similar securities or instruments and to enter into hedging arrangements in connection with such securities and instruments. Furthermore its objects are to finance businesses and companies, to borrow, to lend and to raise funds as well as to enter into agreements in connection with the aforementioned, to render guarantees, to bind the company and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties and to trade in currencies, securities and items of property in general.

The articles of association have been last amended on 5 January 2009 whereby the financial year-end has been amended from 30 November to 31 December. The current financial year falls from 1 December 2008 to 31 December 2009 (13-month period).

Selected Financial Information

The net revenue for the financial years ended November 2008 and 2007 was EUR 5,170,000 and EUR 2,573,000 respectively, representing issuance fees received on the issuance of financial instruments less guarantee fees payable. The profit or loss before tax for the financial years ended 2008 and 2007 was a profit of EUR 6,237,000 and EUR 2,962,000 respectively.

The current assets of MSBV fell from EUR 10,182,479,000 in 2007 to EUR 2,153,167,000 in 2008 with a total amount owing to creditors falling from EUR 10,177,111,000 in 2007 to EUR 2,128,151,000 in 2008. The principal reason for the decrease in debt was a decrease in client demand for financial instruments.

ANNEX I

SUBSIDIARIES OF MORGAN STANLEY

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|--|
| Morgan Stanley | Delaware |
| Arara LLC | Delaware |
| Bayfine DE LLC | Delaware |
| Bayview Holding Ltd. | Cayman Islands |
| Bayfine Cayman Ltd. | Cayman Islands |
| Bayfine DE Inc.* | Delaware |
| Bayfine UK | United Kingdom |
| Belmondo LLC | Delaware |
| Cauca LLC | Delaware |
| Corporate Equipment Supplies, Inc. | Delaware |
| Cournot Holdings Inc. | Delaware |
| Cournot Capital Inc. | Delaware |
| Dean Witter Alliance Capital Corporation | Delaware |
| Dean Witter Capital Corporation | Delaware |
| Dean Witter Realty Inc. | Delaware |
| Dean Witter Holding Corporation | Delaware |
| Civic Center Leasing Corporation | Delaware |
| Lewiston Leasing Corporation | Delaware |
| Dean Witter Leasing Corporation | Delaware |
| Dean Witter Realty Credit Corporation | Delaware |
| Dean Witter Realty Fourth Income Properties Inc. | Delaware |
| Dean Witter Realty Growth Properties Inc. | Delaware |
| Dean Witter Realty Income Properties I Inc. | Delaware |
| Dean Witter Realty Income Properties II Inc. | Delaware |
| Dean Witter Realty Income Properties III Inc. | Delaware |
| Dean Witter Realty Yield Plus Inc. | Delaware |
| Dean Witter Realty Yield Plus II Inc. | Delaware |
| Realty Management Services Inc. | Delaware |
| Dean Witter Reynolds Venture Equities Inc. | Delaware |
| Demeter Management Corporation | Delaware |
| Early Adopter Fund Manager Inc. | Delaware |
| Fuegos LLC | Delaware |
| Fundlogic (Jersey) Limited | Jersey, Channel Is. |
| FV-I, Inc. | Delaware |
| GSS III Funding, Inc. | Delaware |
| GSS III Funding Partner, Inc. | Delaware |
| Global Special Situations III Funding L.P.* | Delaware |
| Hudson Resources, Inc. | Delaware |
| ISG Alternative Investments Inc | Delaware |
| Japan Core Funding Inc. | Delaware |
| Jolter Investments Inc. | Delaware |
| Karakoram LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Merope LLC | Delaware |
| Electra Ltd | Cayman Islands |
| Maia Ltd | Cayman Islands |
| Millport Holdings LLC | Delaware |
| Millport I LLC | Delaware |
| Elderslie Holdings Limited | Delaware |
| Elderslie Limited | Cayman Islands |
| Esporta Holdings Limited | Cayman Islands |
| Esporta Limited | Cayman Islands |
| Littlehill (US) LLC | Delaware |
| Ravelston LLC | Delaware |
| Morgan Rundle Inc. | Delaware |
| MR Ventures Inc. | Delaware |
| Morgan Stanley & Co. Incorporated | Delaware |
| DigitalGlobe, Inc.* | Delaware |
| DigitalGlobe Asia, Inc. | Delaware |
| EarthWatch Mississippi Operations Incorporated | Mississippi |
| GlobeXplorer LLC | California |
| AirPhotoUSA, L.L.C. | Arizona |
| Dean Witter Reynolds Insurance Agency (Ohio) Inc. | Ohio |
| Dean Witter Reynolds Insurance Agency (Oklahoma) Inc. | Oklahoma |
| Dean Witter Reynolds Insurance Agency (Texas) Inc. | Texas |
| Dean Witter Reynolds Insurance Services, Inc. (Puerto Rico) | Puerto Rico |
| Design Enterprises Limited | British Virgin Islands |
| Graystone Wealth Management Services LLC | Delaware |
| Luxco 45 Sarl | Luxembourg |
| Morgan Stanley Dean Witter Insurance Services (Arizona) Inc. | Arizona |
| Morgan Stanley Dean Witter Insurance Services (Arkansas) Inc. | Arkansas |
| Morgan Stanley Insurance Services Inc | Delaware |
| Morgan Stanley Flexible Agreements Inc. | Delaware |
| Morgan Stanley Kew Limited | Cayman Islands |
| Morgan Stanley Management Services II, Inc. | Delaware |
| MS Securities Services Inc. | Delaware |
| Prime Dealer Services Corp. | Delaware |
| TVN Entertainment Corp.* | Delaware |
| V2 Music (Holdings) Limited* | United Kingdom |
| V2 Holdings (USA), Inc. | Delaware |
| E Musica Entertainment Group Inc.* | Delaware |
| E Musica Acquisition Corporation | Delaware |
| E Musica Holdings Inc. | Delaware |
| Musiteca Music Corporation | Delaware |
| Protel Records Inc. | Delaware |
| Revolu Inc. | Delaware |
| Soundmex Inc. | New York |
| E Musica Records LLC | Delaware |
| E Musica Publishing LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Kubaney Acquisition, LLC | Delaware |
| Gee Street Records, Inc. | Delaware |
| V2 Records (Canada) Inc. | Canada |
| V2 Records, Inc. | Delaware |
| V2 Music Publishing (Holdings) Limited | United Kingdom |
| V2 Music Publishing France Sàrl | France |
| V2 Music Publishing Holdings (USA) Inc. | Delaware |
| Gee Street Sounds, Inc. | Delaware |
| In Bed Music, Inc.* | Delaware |
| Realization Music Ltd.* | Delaware |
| Tunes of V2 America | Delaware |
| Songs of V2 America, Inc. | Delaware |
| Music of V2 America, Inc. | Delaware |
| V2 Music Publishing Limited | United Kingdom |
| V2 Publishing (Italy) S.A. | Italy |
| V2 Publishing (Holdings) Limited | United Kingdom |
| Morgan Stanley ABS Capital I Inc. | Delaware |
| Morgan Stanley ABS Capital II Inc. | Delaware |
| Morgan Stanley Altabridge Ltd. | Cayman Islands |
| Morgan Stanley Amalthea UK Limited | United Kingdom |
| Morgan Stanley Amanu LLC | Delaware |
| Makatea JV Inc. | Delaware |
| Morgan Stanley Moorea Inc.* | Delaware |
| Morgan Stanley Pinaki Limited | Cayman Islands |
| Morgan Stanley Raraka Limited | Cayman Islands |
| Morgan Stanley Tepoto Limited | Cayman Islands |
| Morgan Stanley Asset Funding Inc. | Delaware |
| Morgan Stanley Becketts LLC | Delaware |
| Morgan Stanley Copse LLC | Delaware |
| Morgan Stanley Chapel LLC | Delaware |
| Woodcote Capital S.à.r.l. | Luxembourg |
| Morgan Stanley Gerrards Limited | United Kingdom |
| Fyled Energy Limited | United Kingdom |
| Fyled Limited Partnership | United Kingdom |
| Morgan Stanley Foxton Limited Partnership | United Kingdom |
| Morgan Stanley Sandpiper Limited | United Kingdom |
| Sand Lake Limited Partnership | United Kingdom |
| Morgan Stanley Starling Limited | United Kingdom |
| Morgan Stanley Asti Investments LLC | Delaware |
| Morgan Stanley Piedmont Investments LLC | Delaware |
| Morgan Stanley Cuneo Investments Limited | Cayman Islands |
| Morgan Stanley Atlas, Inc. | Delaware |
| Morgan Stanley Barrents LLC | Delaware |
| Morgan Stanley Biscay LLC | Delaware |
| Morgan Stanley Alpha Investments LLP* | United Kingdom |
| Morgan Stanley Epsilon Investments Limited | United Kingdom |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Plymouth Limited | Cayman Islands |
| Morgan Stanley Viking LLC | Delaware |
| Morgan Stanley Fastnet LLC | Delaware |
| Morgan Stanley Humber LLC | Delaware |
| Fitzroy Partnership* | Delaware |
| Morgan Stanley Kite LLC | Delaware |
| Morgan Stanley Firecrest LLC | Delaware |
| Morgan Stanley Plover Limited | United Kingdom |
| Morgan Stanley Puffin LLC | Delaware |
| Morgan Stanley Boscastle Holding Limited | Cayman Islands |
| Morgan Stanley Cornerways Cayman Limited | Cayman Islands |
| Morgan Stanley Monmouth UK* | United Kingdom |
| Morgan Stanley Capital I Inc. | Delaware |
| Morgan Stanley Capital Group Inc. | Delaware |
| Cayman Energy Ltd. | Cayman Islands |
| Ghent Energy Limited | Cayman Islands |
| Heidmar Group Inc. | Delaware |
| GT Energy Corporation | Texas |
| Houston Marine Services, Inc. | Texas |
| Heidmar Inc.* | Marshall Islands |
| Canterbury Tankers LLC* | Marshall Islands |
| Darien Tankers Inc. | Liberia |
| Heidmar International Pools Inc. | Marshall Islands |
| Dorado Tankers Pool Inc. | Marshall Islands |
| Marida Tankers Inc. | Marshall Islands |
| Sigma Tankers Inc. | Marshall Islands |
| Star Tankers Inc. | Marshall Islands |
| Heidmar Investments LLC | Marshall Islands |
| Heidmar Euro LLC | Marshall Islands |
| Heidmar Force Inc. | Liberia |
| Heidmar Marine (Far East) LLC | Marshall Islands |
| Heidmar (Far East) Pte. Ltd. | Singapore |
| Heidmar UK Limited* | United Kingdom |
| Protank Shipping Inc. | Liberia |
| Heidmar Lightering Holdings Inc. | Liberia |
| Heidmar Trading LLC | Marshall Islands |
| Heidenreich Marine Caracas, C.A.* | Venezuela |
| Norwalk Tankers Inc.* | Liberia |
| Q88.Com LLC | Marshall Islands |
| QFleet Com LLC | Marshall Islands |
| Unicorn-Heidmar Tankers LLC | Marshall Islands |
| Heidmar Intermediate Holdings Limited* | Cayman Islands |
| Morgan Stanley Capital Group (España), S.L. | Spain |
| Morgan Stanley Clean Development, LLC | Delaware |
| Morgan Stanley Clean Development Limited | United Kingdom |
| Morgan Stanley Renewables Development I (Cayman) Limited | Cayman Islands |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Current Resources (Cayman) Limited | Cayman Islands |
| Current Resources Limited | United Kingdom |
| Morgan Stanley Energy Development Corp. | Delaware |
| Morgan Stanley Capital Group Cyprus Limited* | Cyprus |
| Morgan Stanley Petroleum Development LLC | Delaware |
| MSDW Power Development Corp. | Delaware |
| Congeneracion Prat S.A. | Spain |
| Minnewit B.V. | The Netherlands |
| MS Coal Trading Corp. | Delaware |
| MS LC Corp. | Delaware |
| MS Solar Solutions Corp. | Delaware |
| Naniwa Energy LLC | Delaware |
| Naniwa Terminal LLC | Delaware |
| Van Twillwer B.V. | The Netherlands |
| Power Contract Finance, L.L.C. | Delaware |
| Power Contract Financing II, Inc. | Delaware |
| Power Contract Financing II, L.L.C. | Delaware |
| South Eastern Electric Development Corporation | Delaware |
| South Eastern Generating Corporation | Delaware |
| TransMontaigne Inc. | Delaware |
| TransMontaigne Product Services Inc. | Delaware |
| TransMontaigne Services Inc. | Delaware |
| TransMontaigne Transport Inc. | Delaware |
| Coastal Tug and Barge, Inc. | Delaware |
| Utility Contract Funding II, L.L.C. | Delaware |
| Morgan Stanley Capital Management, LLC | Delaware |
| Morgan Stanley Credit Corporation | Delaware |
| Morgan Stanley Credit Corporation of Iowa | Iowa |
| Morgan Stanley Credit Corporation of Minnesota | Minnesota |
| Morgan Stanley Credit Corporation of Pennsylvania | Pennsylvania |
| Morgan Stanley Credit Corporation of Tennessee | Tennessee |
| NOVUS Financial Corporation of Washington | Washington |
| NOVUS Receivables Financing Inc. | Delaware |
| Morgan Stanley Domestic Holdings, Inc. | Delaware |
| Morgan Stanley Bank, N.A. | Federal Charter |
| Morgan Stanley Capital Partners III, Inc. | Delaware |
| Morgan Stanley Capital REIT Inc. | Delaware |
| Saxon Advance Receivables Company, Inc. | Delaware |
| Morgan Stanley Capital REIT IV, Inc | Delaware |
| Morgan Stanley Capital Services Inc. | Delaware |
| Morgan Stanley Baltic Limited | Cayman Islands |
| Morgan Stanley Caspian Limited | Cayman Islands |
| MS Avondale 1 B.V. | The Netherlands |
| MS Avondale 2 B.V. | The Netherlands |
| Morgan Stanley Capital Trust III | Delaware |
| Morgan Stanley Capital Trust IV | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Capital Trust V | Delaware |
| Morgan Stanley Capital Trust VI | Delaware |
| Morgan Stanley Capital Trust VII | Delaware |
| Morgan Stanley Capital Trust VIII | Delaware |
| Morgan Stanley Commercial Financial Services, Inc. | Delaware |
| Morgan Stanley Commercial Mortgage Capital, Inc. | Delaware |
| Morgan Stanley Content Corporation | Delaware |
| Morgan Stanley Darica Funding, LLC | Delaware |
| Ascension Loan Vehicle, LLC | Delaware |
| Morgan Stanley Dean Witter Equity Funding, Inc. | Delaware |
| Morgan Stanley Dean Witter International Incorporated | Delaware |
| Dean Witter International Ltd. | United Kingdom |
| Dean Witter Reynolds GmbH | Germany |
| Dean Witter Reynolds International, Inc. | Panama |
| Dean Witter Reynolds (Lugano) S.A. | Switzerland |
| River View International Inc. | Delaware |
| Morgan Stanley Derivative Products Inc. | Delaware |
| Morgan Stanley Distributors Inc. | Delaware |
| Morgan Stanley Domestic Leasing Inc. | Delaware |
| Morgan Stanley Durango LLC | Delaware |
| Morgan Stanley Afdera Cayman Limited* | Cayman Islands |
| Morgan Stanley Amba Alagi LLC* | Delaware |
| Morgan Stanley Ambasel LLC* | Delaware |
| Morgan Stanley Semaine Sarl | Luxembourg |
| Ras Dashen Cayman Ltd. | Delaware |
| Morgan Stanley Elan LLC | Delaware |
| Cimarron Investments LLC | Delaware |
| Riva Investments LLC | Delaware |
| Morgan Stanley Pez Investments LLC | Delaware |
| Morgan Stanley Emerging Markets Inc. | Delaware |
| Always Limited | Cayman Islands |
| Inter Capital Alliance Company Limited* | Thailand |
| MS China 1 Limited | Cayman Islands |
| DAH Limited | Cayman Islands |
| Dare Limited | Cayman Islands |
| MS China 2 Limited | Cayman Islands |
| MS China 3 Limited | Cayman Islands |
| MS China 4 Limited | Cayman Islands |
| MS China 5 Limited | Cayman Islands |
| MSGHYLADD* | Ireland |
| MSJI 2 LLC | Delaware |
| MSJI LLC | Delaware |
| Philippine Asset Investment (SPY – AMC) Inc. | The Philippines |
| Morgan Stanley Equity Services Inc. | Delaware |
| Morgan Stanley Europa LLC | Delaware |
| Morgan Stanley Callisto Cayman Ltd. | Cayman Islands |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Elara Cayman Ltd. | Cayman Islands |
| Morgan Stanley Eurydome Cayman Ltd. | Cayman Islands |
| Morgan Stanley Luxembourg Holdings Sàrl | Luxembourg |
| Morgan Stanley Europe Reinsurance S.A. | Luxembourg |
| Morgan Stanley Luxembourg Reinsurance S.A.* | Luxembourg |
| Morgan Stanley White Horse UK | United Kingdom |
| Morgan Stanley Metis (Gibraltar) Limited | Gibraltar |
| Morgan Stanley Ganymede Luxembourg Sarl | Luxembourg |
| Morgan Stanley Ananke Luxembourg Sarl | Luxembourg |
| Morgan Stanley Carne Luxembourg Sarl | Luxembourg |
| Morgan Stanley Himalia Cayman Limited | Cayman Islands |
| Morgan Stanley Sinope Cayman Limited | Cayman Islands |
| Morgan Stanley Adrastea Netherlands B.V. | The Netherlands |
| Morgan Stanley IO Cayman Limited | Cayman Islands |
| Morgan Stanley Iocaste Cayman Limited | Cayman Islands |
| Morgan Stanley Pasiphae Netherlands B.V. | Cayman Islands |
| Morgan Stanley Leda Ltd. | Cayman Islands |
| Morgan Stanley Stoneyside Cayman Limited | Cayman Islands |
| Morgan Stanley Finance (Jersey) Limited | Jersey, Channel Is. |
| Morgan Stanley Funding, Inc. | Delaware |
| Morgan Stanley Fund Services Inc. | Delaware |
| Morgan Stanley Fund Services (Bermuda) Ltd. | Bermuda |
| Morgan Stanley Fund Services (Cayman) Ltd. | Cayman Islands |
| Morgan Stanley Fund Services (Ireland) Limited | Ireland |
| Morgan Stanley Fund Services (UK) Limited | United Kingdom |
| Morgan Stanley Fund Services USA LLC | Delaware |
| Morgan Stanley Galway LLC | Delaware |
| Morgan Stanley Global Emerging Markets, Inc. | Delaware |
| Morgan Stanley Global Funding Trust | Delaware |
| Morgan Stanley Global Strategies Management Holdings, Inc. | Delaware |
| Morgan Stanley Global Strategies Management LLC | Delaware |
| Morgan Stanley GWM Feeder Strategies Inc | Delaware |
| Morgan Stanley Hedge Premier GP Inc. | Delaware |
| Morgan Stanley Home Loans Inc. | Delaware |
| Morgan Stanley International Holdings Inc* | Delaware |
| Acheron Ltd. | Cayman Islands |
| Arigil Menkul Degerler A.S.* | Turkey |
| Arno Limited | Cayman Islands |
| European Principal Assets Limited | United Kingdom |
| City Mortgage Bank LLC | Russian Federation |
| Credito Fondario e Industriale - Fonspa SpA | Italy |
| Primass - Promozioni e Assistenza Immobiliari - SpA | Italy |
| Psylon Holding Limited | Cyprus |
| Limited Liability Company Rinocenter | Russian Federation |
| Volmar Holdings Limited | Cyprus |
| HTI Valori Mobiliare S.A.* | Romania |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| ITALSEC S.r.l. | Italy |
| Lethe Ltd.* | Cayman Islands |
| Morgan Stanley AB | Sweden |
| Morgan Stanley Advantage Services Private Limited* | India |
| Morgan Stanley Asia Holdings I Inc. | Delaware |
| Morgan Stanley Asia Holdings II Inc. | Delaware |
| Morgan Stanley Asia Holdings III Inc. | Delaware |
| Morgan Stanley Asia Holdings IV Inc. | Delaware |
| Morgan Stanley Asia Holdings VI Inc. | Delaware |
| Morgan Stanley Asia Pacific (Holdings) Limited* | Cayman Islands |
| Morgan Stanley Asia Regional (Holdings) III LLC | Cayman Islands |
| Morgan Stanley (Singapore) Holdings Pte. Ltd. | Singapore |
| Morgan Stanley Asia Regional (Holdings) IV Limited | Cayman Islands |
| Morgan Stanley Asia (Singapore) Pte. | Singapore |
| Morgan Stanley Asia (Singapore) Securities Pte Ltd | Singapore |
| Morgan Stanley Capital Group (Singapore) Pte. | Singapore |
| Morgan Stanley Investment Management Company | Singapore |
| Morgan Stanley Labuan Investment Bank Limited | Labuan/Malaysia |
| Morgan Stanley Singapore Pte. Ltd. | Singapore |
| Morgan Stanley (Hong Kong) Holdings Limited | Hong Kong |
| Morgan Stanley Asia International Limited | Cayman Islands |
| Morgan Stanley Hong Kong 1238 Limited* | Hong Kong |
| Morgan Stanley Asia Securities Products LLC | Cayman Islands |
| Morgan Stanley Asia Limited | Hong Kong |
| Morgan Stanley Asia Products Limited | Cayman Islands |
| Morgan Stanley Asia (Taiwan) Ltd. | Rep. of China |
| Morgan Stanley Hong Kong Futures Limited | Hong Kong |
| Morgan Stanley Hong Kong Securities Limited | Hong Kong |
| Morgan Stanley Pacific Limited | Hong Kong |
| Morgan Stanley Investment Consultancy (Beijing) Company Limited | People's Rep. of China |
| Morgan Stanley Hong Kong 1239 Limited | Hong Kong |
| Morgan Stanley Information Technology (Shanghai) Limited | People's Rep. of China |
| Morgan Stanley Services Limited | Australia |
| MSDW-JL Holdings I Limited | Cayman Islands |
| Morgan Stanley Bosphorus Limited | Cayman Islands |
| Morgan Stanley Canmore Limited | Cayman Islands |
| Morgan Stanley Brook Limited | Cayman Islands |
| Morgan Stanley Batherm Limited* | Cayman Islands |
| Morgan Stanley Ursa SARL | Luxembourg |
| Morgan Stanley Hercules SARL | Luxembourg |
| Morgan Stanley Lyra SARL* | Luxembourg |
| Morgan Stanley Temple Limited | Gibraltar |
| Morgan Stanley Clyst Limited* | Cayman Islands |
| Morgan Stanley Creedy Limited* | Cayman Islands |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Brunton Sarl | Luxembourg |
| Morgan Stanley Putney Limited | Gibraltar |
| Morgan Stanley Lowman Limited* | Cayman Islands |
| Morgan Stanley Mildenhall S.A.R.L.* | Luxembourg |
| Morgan Stanley Byzantine S.A.R.L. | Luxembourg |
| Morgan Stanley Rosetta Investments S.A.R.L.* | Luxembourg |
| Morgan Stanley Finchley Limited | Gibraltar |
| Morgan Stanley Rasam Limited* | Cayman Islands |
| Morgan Stanley Vindolanda Equity S.A.R.L. | Luxembourg |
| Morgan Stanley Caledonia Limited | Cayman Islands |
| Morgan Stanley Ouse Limited | Cayman Islands |
| Morgan Stanley Adur Limited* | Cayman Islands |
| Morgan Stanley Cuckmere Limited* | Cayman Islands |
| Morgan Stanley Leitrim Sarl* | Luxembourg |
| Morgan Stanley Kerry Limited | Cayman Islands |
| Morgan Stanley Richmond Limited | Gibraltar |
| Morgan Stanley Japan (Holdings) Ltd. | Cayman Islands |
| City Forum Capital Limited | Cayman Islands |
| Hybrid Capital Second K.K. | Japan |
| Morgan Stanley Japan Group Co., Ltd. | Japan |
| Morgan Stanley Japan Holdings Co., Ltd.* | Japan |
| Hybrid Capital K.K. | Japan |
| TM, Limited | Japan |
| Jipang Mortgage Finance Co., Ltd. | Japan |
| Morgan Stanley Tokyo Properties K.K. | Japan |
| Morgan Stanley Asset & Investment Trust Management Co., Limited | Japan |
| Morgan Stanley Japan Business Group Co., Ltd. | Japan |
| Morgan Stanley Japan Securities Co., Ltd. | Japan |
| Morgan Stanley Capital K.K.* | Japan |
| K.K. MST Investment Management* | Japan |
| MS Real Estate Advisors Co., Ltd. | Japan |
| Panorama Hospitality, K.K. | Japan |
| Morgan Stanley Dean Witter Japan Group, Ltd. | Cayman Islands |
| MSDW-JL Holdings II Limited* | Cayman Islands |
| Morgan Stanley Products Limited | Cayman Islands |
| MS Capital Cayman Ltd. | Cayman Islands |
| MS Remora Ltd. | Cayman Islands |
| MSJL Holdings 4682 Limited | Cayman Islands |
| MSJL Holdings Limited | Cayman Islands |
| MS CYM Preferred Ltd. | Cayman Islands |
| MSJS Preferred YK | Japan |
| MSDW Birkdale Limited | Cayman Islands |
| MSDW Muirfield Limited | Cayman Islands |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| MSDW Lytham Limited | Cayman Islands |
| Morgan Stanley Haddeo Limited | Cayman Islands |
| Morgan Stanley Ock Limited* | Cayman Islands |
| Morgan Stanley Barle Limited* | Cayman Islands |
| Morgan Stanley Weaver Sarl | Luxembourg |
| Morgan Stanley Cadland III Limited* | Cayman Islands |
| Morgan Stanley Knightsbridge Limited | Cayman Islands |
| Morgan Stanley Oostburg B.V. | The Netherlands |
| Morgan Stanley Oostburg & Partners Secs* | Luxembourg |
| Ramey Sarl | Luxembourg |
| Swilken Limited | Cayman Islands |
| Morgan Stanley Asia Pacific Services Limited | United Kingdom |
| Morgan Stanley Asset Management S.A. | Luxembourg |
| Morgan Stanley Australia Finance Limited | Australia |
| Morgan Stanley (Australia) Real Estate Holdings Pty Limited | Australia |
| Morgan Stanley (Australia) Servco Pty Limited | Australia |
| Morgan Stanley International Real Estate Limited | Australia |
| Morgan Stanley Bank AG | Germany |
| Morgan Stanley B.V. | The Netherlands |
| Morgan Stanley Canada Limited | Canada |
| Morgan Stanley Capital S.A. de C.V., SOFOM, E.N.R.* | Mexico |
| Morgan Stanley Capital (Luxembourg) S.A.* | Luxembourg |
| Morgan Stanley Cayman Holdings I Limited | Cayman Islands |
| Morgan Stanley Commodities Trading Cayman Holdings Limited | Cayman Islands |
| Morgan Stanley Commodities Trading Hong Kong Holdings Limited | Hong Kong |
| Morgan Stanley Commodities Trading (China) Limited | People's Rep. of China |
| Morgan Stanley (Thailand) Limited* | Thailand |
| Morgan Stanley San Donato SARL* | Luxembourg |
| Morgan Stanley Syrah Two Limited* | Cayman Islands |
| Morgan Stanley Donegan Limited | Cayman Islands |
| Morgan Stanley Donau GmbH | Germany |
| Morgan Stanley Neckar GmbH | Germany |
| Morgan Stanley Hong Kong Limited | Hong Kong |
| Morgan Stanley Hong Kong Nominees Limited | Hong Kong |
| Morgan Stanley Hungary Analytics Kft. | Hungary |
| Morgan Stanley International Limited | United Kingdom |
| Morgan Stanley Funding II Limited | Jersey, Channel Is. |
| Morgan Stanley Group (Europe)* | United Kingdom |
| Advantage Home Loans Limited | United Kingdom |
| Bayfine UK Products* | United Kingdom |
| Morgan Stanley Angel Limited | Cayman Islands |
| Morgan Stanley Bramley Limited | United Kingdom |
| Morgan Stanley Capital Group Limited | United Kingdom |
| Morgan Stanley (Europe) Limited | United Kingdom |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Finance plc* | United Kingdom |
| Morgan Stanley Caballa Limited | United Kingdom |
| Morgan Stanley Gastoro Limited | United Kingdom |
| Morgan Stanley Pintado Investments Limited | United Kingdom |
| Woburn IV Cooperatieve UA* | The Netherlands |
| Woburn V Cooperatieve UA* | The Netherlands |
| MSDW Corporate Holdings Limited | United Kingdom |
| MSDW Corporate Investments I Limited | Jersey, Channel Is. |
| MSDW Corporate Investments II Limited | Jersey, Channel Is. |
| Sunningdale Cooperatieve UA* | The Netherlands |
| Woburn Cooperatieve UA* | The Netherlands |
| Wentworth Cooperatieve U.A. | The Netherlands |
| Morgan Stanley Gala Limited* | Jersey, Channel Is. |
| Morgan Stanley Investment Management Limited | United Kingdom |
| Morgan Stanley Investment Management (ACD) Limited | United Kingdom |
| Morgan Stanley Investments (UK) | United Kingdom |
| Morgan Stanley JY Holdings Limited | United Kingdom |
| Morgan Stanley JY Limited | United Kingdom |
| Morgan Stanley Laxton* | United Kingdom |
| Morgan Stanley Bank International Limited* | United Kingdom |
| Morgan Stanley Bank International (China) Limited | People's Rep. of China |
| Morgan Stanley Property Management (UK) Limited | United Kingdom |
| Morgan Stanley Services (UK) Limited | United Kingdom |
| Morgan Stanley Strategic Funding Limited | United Kingdom |
| Morgan Stanley (Structured Products) Jersey Limited | Jersey, Channel Is. |
| Morgan Stanley UK Group | United Kingdom |
| Morgan Stanley & Co. International plc* | United Kingdom |
| Morgan Stanley Barbera Two Limited | Cayman Islands |
| Morgan Stanley Bondola Limited | Cayman Islands |
| Morgan Stanley Kadarka Limited | Cayman Islands |
| Morgan Stanley Bridel S.a.r.l. | Luxembourg |
| Morgan Stanley Dean Witter Strategic Investments Limited | United Kingdom |
| MSDW Lyle Investments Limited | United Kingdom |
| Morgan Stanley Dover Investments Limited | United Kingdom |
| Morgan Stanley Elz GmbH | Germany |
| Morgan Stanley Saar GmbH | Germany |
| Morgan Stanley Equity Finance (Denmark) ApS | Denmark |
| Morgan Stanley Equity Financing Services (Sweden) AB | Sweden |
| Morgan Stanley Fisher Investments Limited | United Kingdom |
| Ashwood Cooperatieve U.A.* | The Netherlands |
| Woburn VI Cooperatieve U.A.* | The Netherlands |
| Morgan Stanley (France) SAS | France |
| Morgan Stanley Havel GmbH | Germany |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Dill GmbH | Germany |
| Morgan Stanley Main GmbH | Germany |
| Morgan Stanley Isar GmbH | Germany |
| Morgan Stanley Spree GmbH | Germany |
| Morgan Stanley Mosel GmbH | Germany |
| Morgan Stanley Elbe GmbH | Germany |
| Morgan Stanley Humboldt Investments Limited* | United Kingdom |
| Marco Polo High Yield Financing srl* | Italy |
| Clearcreek, S.L. | Spain |
| Morgan Stanley Inn GmbH | Germany |
| Morgan Stanley Wupper GmbH | Germany |
| Morgan Stanley International Nominees Limited | United Kingdom |
| Morgan Stanley Kochi Limited | Cayman Islands |
| Kerala Investments Limited | Cayman Islands |
| Morgan Stanley Clare SARL | Luxembourg |
| Morgan Stanley Cork Limited | Cayman Islands |
| Morgan Stanley Malabar Limited | Cayman Islands |
| Morgan Stanley Hoxne Limited | Gibraltar |
| Morgan Stanley Shannon Limited | Cayman Islands |
| Camomile Liffey Investments (UK) Limited | Cayman Islands |
| Morgan Stanley Brighton Limited | Cayman Islands |
| Morgan Stanley Shoreditch Limited* | Cayman Islands |
| Newburg Investments Limited | United Kingdom |
| Morgan Stanley Mandarin Limited | United Kingdom |
| Morgan Stanley Harlequin Investments Limited | United Kingdom |
| Metsys Cooperatieve U.A.* | The Netherlands |
| Morgan Stanley Pintail Investments Limited | United Kingdom |
| Bonaire Cooperatieve U.A.* | The Netherlands |
| Tamboer Cooperatieve U.A. | The Netherlands |
| Orangewood Cooperatieve U.A. | The Netherlands |
| Saenredam Cooperatieve UA | The Netherlands |
| Saldanha Cooperatieve U.A.* | The Netherlands |
| Morgan Stanley Neudorf S.a.r.l. | Luxembourg |
| Morgan Stanley Piccadilly Limited | Cayman Islands |
| Morgan Stanley Rhein SARL | Luxembourg |
| Morgan Stanley Clausen Sarl | Luxembourg |
| Morgan Stanley Eich Sarl | Luxembourg |
| Morgan Stanley Rivelino Investments Limited | United Kingdom |
| Morgan Stanley Dolor Limited | Cayman Islands |
| Morgan Stanley Gerson Limited | Cayman Islands |
| Morgan Stanley Tostao Limited | Cayman Islands |
| Denilson Company Pty Limited | Australia |
| Morgan Stanley Zico Investments Limited | United Kingdom |
| Morgan Stanley Silvermere Limited* | United Kingdom |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Bowline Limited* | United Kingdom |
| Morgan Stanley Penberthy Limited* | United Kingdom |
| Archimedes Investments Cooperative U.A. | The Netherlands |
| Hanger Straight Limited | Cayman Islands |
| Terrassa I Investments Limited | Cayman Islands |
| Terrassa II Investments Limited | Cayman Islands |
| Terrassa III Investments Limited | Cayman Islands |
| Terrassa IV Investments Limited | Cayman Islands |
| Morgan Stanley Shanklin Limited | Cayman Islands |
| Morgan Stanley Northcote Investments Limited | United Kingdom |
| Borderwijk Cooperatieve U.A.* | The Netherlands |
| Morgan Stanley Norton Investments Limited | United Kingdom |
| Bermont Co-operatieve U.A. | The Netherlands |
| Shavano Cooperatieve UA * | The Netherlands |
| Morgan Stanley Hampstead Limited* | Cayman Islands |
| Morgan Stanley Yarmouth Limited | Cayman Islands |
| Monte Bianco Sarl | Luxembourg |
| Monte Cervino Sarl | Luxembourg |
| Morgan Stanley Victoria Limited* | Cayman Islands |
| Morgan Stanley Waterloo Limited* | Cayman Islands |
| Moor Lane Investments Limited | Jersey, Channel Is. |
| Morgan Stanley Propus Limited | Gibraltar |
| MSDW Portrush Limited* | Cayman Islands |
| MSDW Turnberry Ltd. | United Kingdom |
| Morgan Stanley Medway Limited | United Kingdom |
| Morgan Stanley Cadzand II Limited | Cayman Islands |
| MSDW Jubilee Investments Ltd. | United Kingdom |
| Augusta Cooperatieve UA | The Netherlands |
| MSDW Eden Investments Ltd. | United Kingdom |
| MSDW Mallard Investments Limited* | United Kingdom |
| Carysforth Investments Limited | Cayman Islands |
| Haddington Investments Limited | Cayman Islands |
| Morgan Stanley Millbrae Investments B.V.* | The Netherlands |
| MSDW Montgomerie Limited | United Kingdom |
| Morgan Stanley Malin Investments Limited | United Kingdom |
| Morgan Stanley Charbono Limited | United Kingdom |
| Morgan Stanley Fiano Limited | Cayman Islands |
| Morgan Stanley Tannat Limited | Cayman Islands |
| Morgan Stanley Portland Investments Limited | United Kingdom |
| Wadway 1 Cooperative U.A. | The Netherlands |
| Wadway 2 Cooperative U.A. | The Netherlands |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Woburn III Cooperative UA | The Netherlands |
| MSDW Raleigh Investments Limited* | United Kingdom |
| Morgan Stanley Longtree Investments B.V. | The Netherlands |
| Drake Investments Limited* | Cayman Islands |
| Drake II Investments Limited* | Cayman Islands |
| Livingstone Investments Limited | Jersey, Channel Is. |
| Morgan Stanley & Co. Limited* | United Kingdom |
| East Sussex Financing Limited | Jersey, Channel Is. |
| Cottenden Financing Unlimited | Jersey, Channel Is. |
| Morgan Stanley Foreign Complex Trust* | Delaware |
| Morgan Stanley Foreign Complex Trust IX | Delaware |
| Morgan Stanley Securities ACD Limited | United Kingdom |
| Morgan Stanley Securities Limited | United Kingdom |
| Morstan Nominees Limited | United Kingdom |
| Morgan Stanley Somerset Limited | United Kingdom |
| Morgan Stanley Taiwan Limited | Republic of China |
| Morgan Stanley UK Limited | United Kingdom |
| Morgan Stanley Trustee Limited | United Kingdom |
| Morgan Stanley Wertpapiere GmbH | Germany |
| OOO Morgan Stanley Bank | Russian Federation |
| MS Leasing UK Limited | United Kingdom |
| Morgan Stanley Finance (C.I.) Limited | Jersey, Channel Is. |
| MSDW Fixed Income Limited | Jersey, Channel Is. |
| Willow Capital Limited | Jersey, Channel Is. |
| Morgan Stanley Investment Management (Australia) Pty Limited | Australia |
| Morgan Stanley Investment Management (Korea) Limited | Republic of Korea |
| Morgan Stanley Investments (Mauritius) Limited | Mauritius |
| Morgan Stanley (Israel) Ltd. | Israel |
| Morgan Stanley Japan Limited | Cayman Islands |
| Morgan Stanley Latin America Incorporated | Delaware |
| Banco Morgan Stanley Dean Witter S.A.* | Brazil |
| Morgan Stanley Dean Witter Administradora de Carteiras S.A.* | Brazil |
| Morgan Stanley Dean Witter Corretora de Títulos e Valores Mobiliários S.A.* | Brazil |
| Morgan Stanley Dean Witter do Brasil Ltda.* | Brazil |
| Morgan Stanley Uruguay Ltda.* | Uruguay |
| MSLA Advisors Incorporated | Delaware |
| Morgan Stanley Mauritius Company Limited | Mauritius |
| Morgan Stanley India Capital Private Limited* | India |
| Morgan Stanley Asia Regional (Holdings) II LLC | Cayman Islands |
| Morgan Stanley India Primary Dealer Private Limited* | India |
| Morgan Stanley India Securities Private Limited* | India |
| Morgan Stanley India Company Private Limited* | India |
| Morgan Stanley India Services Private Limited* | India |
| Morgan Stanley Investment Management Private Limited* | India |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| MSIM Global Support and Technology Services Private Limited | India |
| Morgan Stanley Middle East Inc. | Delaware |
| Morgan Stanley Mortgage Servicing Ltd. | United Kingdom |
| Prime Commercial Mortgage Servicing GmbH | Germany |
| Morgan Stanley Newport S.a.r.l. | Luxembourg |
| Morgan Stanley Pacific Services Limited | United Kingdom |
| Morgan Stanley Poggio Secco Limited | Cayman Islands |
| Alpino Investments Limited* | Cayman Islands |
| Morgan Stanley Private Equity Management Korea, Ltd. | Republic of Korea |
| Morgan Stanley Real Estate Investment GmbH | Germany |
| Morgan Stanley SGR (Società di Gestione del Risparmio) SpA* | Italy |
| Morgan Stanley South Africa (Pty) Limited | South Africa |
| Morgan Stanley Spanish Holdings S.L.U. | Spain |
| Morgan Stanley (España) S.A. | Spain |
| Morgan Stanley SV, SAU | Spain |
| Morgan Stanley Swiss Holdings GmbH | Switzerland |
| Bank Morgan Stanley AG | Switzerland |
| Fosbury Investments Cooperatieve U.A. | The Netherlands |
| Morgan Stanley Trading Beteiligungs-GmbH | Germany |
| MSAM/Kokusai (Cayman Islands), Inc. | Cayman Islands |
| MSAM/Kokusai II (Cayman Islands), Inc. | Cayman Islands |
| MSDW Finance (Netherlands) BV | The Netherlands |
| MS Equity Financing Services (Luxembourg) S.à.r.l. | Luxembourg |
| MS Italy (Holdings) Inc. | Delaware |
| MSL Incorporated | Delaware |
| Morgan Stanley SPV I (Cayman Islands) LLC* | Cayman Islands |
| Farlington Company* | Ireland |
| Providence DE LLC | Delaware |
| Providence Canada Co. | Canada |
| Providence Cayman Investments Limited* | Cayman Islands |
| Providence DE Investments Co. | Delaware |
| PT Morgan Stanley Asia Indonesia* | Indonesia |
| PT Morgan Stanley Indonesia* | Indonesia |
| Limited Liability Company "Sophia Capital"* | |
| Morgan Stanley International Incorporated* | Delaware |
| Morgan Stanley Asia Holdings V Inc. | Delaware |
| Morgan Stanley (Australia) Holdings Pty Limited | Australia |
| Morgan Stanley Australia Limited | Australia |
| Morgan Stanley (Australia) Securities Holdings Pty Limited | Australia |
| Morgan Stanley Australia Securities Limited | Australia |
| Morgan Stanley Australia Securities (Nominee) Pty Limited | Australia |
| Morgan Stanley Capital Holdings* | United Kingdom |
| Morgan Stanley Dean Witter Financial Holdings, LLC* | Delaware |
| Morgan Stanley Hong Kong Finance Limited* | Hong Kong |
| Morgan Stanley Dean Witter UK Capital Limited | United Kingdom |

| Entity Name | Jurisdiction of Incorporation or Formation |
|---|---|
| Indentations indicate control. * Has one or more minority shareholders. | |
| Morgan Stanley Dean Witter HK RAV IV, LLC | Delaware |
| The HK RAV IV Trust* | Hong Kong |
| The HK RAV IV Partnership* | United Kingdom |
| The HK RAV V Partnership* | United Kingdom |
| Morgan Stanley International Finance S.A.* | Luxembourg |
| Morgan Stanley International Insurance Ltd. | Bermuda |
| MSIIL Captive Insurance, Inc. | Arizona |
| Morgan Stanley Offshore Investment Company Ltd. | Cayman Islands |
| Morgan Stanley Select Investment Strategies Ltd.* | Cayman Islands |
| Morgan Stanley SerCo Solutions Pty Limited | Australia |
| Morgan Stanley SPV II (Cayman Islands) LLC | Cayman Islands |
| MSDW Investment Holdings Limited | Cayman Islands |
| Cabot 2 Limited | United Kingdom |
| MS Cabot Inc. | Delaware |
| MSDW Investment Holdings (US) Inc. | Delaware |
| Morgan Stanley UK Trader | United Kingdom |
| Morgan Stanley Corporate Trader* | United Kingdom |
| Morgan Stanley Financial Trader | United Kingdom |
| Morgan Stanley Equity Trader* | United Kingdom |
| Morgan Stanley Weser GmbH | Germany |
| Morgan Stanley Russet LLP* | United Kingdom |
| MSDW Investments (Cayman) Limited | Cayman Islands |
| MSDW Investment Holdings (UK) Ltd. | United Kingdom |
| Cabot 1 Limited | United Kingdom |
| Applied Risc Technologies Limited | United Kingdom |
| Cornwall Financing UK Limited* | Jersey, Channel Is. |
| Morgan Stanley Cornwall Investments UK Limited* | Jersey, Channel Is. |
| Morgan Stanley Investment Holdings Jersey Limited | Jersey, Channel Is. |
| Hampshire Trading B.V.* | The Netherlands |
| Lancashire Trading B.V. | The Netherlands |
| Norfolk Trading B.V. | The Netherlands |
| Suffolk Trading B.V.* | The Netherlands |
| Wiltshire Trading B.V. | The Netherlands |
| Morgan Stanley Funding Limited | Jersey, Channel Is. |
| Yorkshire Trading B.V. | The Netherlands |
| Morgan Stanley Cumbria Investments* | United Kingdom |
| Morgan Stanley Derivative Products (Netherlands) B.V. | The Netherlands |
| Morgan Stanley Equity Finance (Malta) Limited* | Malta |
| Morgan Stanley Maple Limited | United Kingdom |
| Morgan Stanley Tipperary Limited | Ireland |
| Morgan Stanley Durham Investments Limited | United Kingdom |
| Morgan Stanley Berkshire Investments Limited | Jersey, Channel Is. |
| Morgan Stanley Cheshire Investments Limited | Jersey, Channel Is. |
| Morgan Stanley Devon Investments Limited | United Kingdom |
| Morgan Stanley Langton Limited | United Kingdom |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Equity Holdings (Ireland) Limited | Ireland |
| Morgan Stanley Alzette S.a.r.l | Luxembourg |
| Morgan Stanley Corporate Holdings (Ireland) Limited | Ireland |
| Morgan Stanley Equity Trading (DIFC) Limited | DIFC |
| Morgan Stanley Grund Sàrl | Luxembourg |
| Morgan Stanley Euro Financing (Ireland) Limited* | Ireland |
| Morgan Stanley (NSW) Pty Limited | Victoria, Australia |
| Morgan Stanley Derivative Products (Singapore) Pte. Ltd. | Singapore |
| Morgan Stanley Equity Trading (Singapore) Pte. Ltd. | Singapore |
| Morgan Stanley Derivative Products (Spain) S.L. | Spain |
| Morgan Stanley Mosell S.a.r.l | Luxembourg |
| Morgan Stanley Warta GmbH | Germany |
| Morgan Stanley Wiltz S.a.r.l. | Luxembourg |
| Morgan Stanley Lincoln Limited | United Kingdom |
| Morgan Stanley Longcross Limited | United Kingdom |
| Morgan Stanley Investment Advisors Inc. | Delaware |
| Morgan Stanley Services Company Inc. | Delaware |
| Morgan Stanley Investment Management Inc. | Delaware |
| Morgan Stanley AIP Funding Inc. | Delaware |
| Morgan Stanley Alternative Investments Inc. | Delaware |
| Morgan Stanley AIP (Cayman) GP Ltd. | Cayman Islands |
| Morgan Stanley AIP GP LP | Delaware |
| Morgan Stanley Alternative Investment Partners LP | Delaware |
| Morgan Stanley Comprehensive Alternatives Fund I LP | Delaware |
| Morgan Stanley Distribution, Inc. | Pennsylvania |
| Morgan Stanley (Jersey) Limited | Jersey, Channel Is. |
| Morgan Stanley Kristinestad LLC | Delaware |
| Morgan Stanley Leveraged Equity Fund II, Inc. | Delaware |
| Morgan Stanley Private Equity Asia (Cayman) Limited | Cayman Islands |
| Morgan Stanley Private Equity Asia Limited* | Hong Kong |
| Morgan Stanley Private Equity Advisory (Beijing) Limited | Beijing, PRC |
| Morgan Stanley Leveraged Equity Holdings Inc. | Delaware |
| Morgan Stanley Life Holding Incorporated | Delaware |
| Longevity Insurance Company | Delaware |
| Morgan Stanley Limpopo LLC | Delaware |
| Morgan Stanley Breede Inc.* | Delaware |
| Morgan Stanley Lomati LLC | Delaware |
| Morgan Stanley Tugela Limited | Cayman Islands |
| Morgan Stanley Vaal LLC | Delaware |
| Clova Investments LP* | Delaware |
| Morgan Stanley Malbec LLC | Delaware |
| Morgan Stanley Martin LLC | Delaware |
| Morgan Stanley Cadzand Limited* | United Kingdom |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley ML Acquisition Inc. | Delaware |
| Morgan Stanley Mortgage Capital Holdings LLC | New York |
| Morgan Stanley Capital REIT II Inc. | Delaware |
| Morgan Stanley Capital REIT III Inc. | Delaware |
| Morgan Stanley Dean Witter Asset Capital Inc. | Delaware |
| MSMC 2006-FM-1, LLC | Delaware |
| MSSHG I Ltd. | Cayman Islands |
| Saxon Capital, Inc. | Maryland |
| Morgan Stanley Residential Mortgage Inc. | Delaware |
| Saxon Capital Holdings, Inc. | Delaware |
| SCI Services, Inc. | Virginia |
| Saxon Mortgage, Inc. | Virginia |
| Saxon Holding, Inc. | Delaware |
| TRS Securities and Certificates, Inc. | Maryland |
| Saxon Mortgage Services, Inc. | Texas |
| Saxon Funding Management LLC | Delaware |
| Morgan Stanley Securitized Assets LLC | Delaware |
| Saxon Asset Securities Company | Virginia |
| Morgan Stanley Municipal Funding Inc. | Delaware |
| Morgan Stanley Municipal Management, Inc. | Delaware |
| Morgan Stanley Overseas Finance Ltd. | Cayman Islands |
| Morgan Stanley Overseas Services (Jersey) Limited | Jersey, Channel Is. |
| Morgan Stanley Preferred Strategies Inc. | Delaware |
| Morgan Stanley Principal Funding, Inc. | Delaware |
| Morgan Stanley (Hungary) Financial Services Limited* | Hungary |
| MSXL Asia Pacific Limited | Cayman Islands |
| MSXL China Ltd. | Cayman Islands |
| SPV Columbus S.r.L.* | Italy |
| Morgan Stanley Principal Strategies, Inc. | Delaware |
| Morgan Stanley Private Equity Asia, Inc. | Delaware |
| Morgan Stanley Real Estate Advisor, Inc. | Delaware |
| MSREA Holdings, Inc. | Delaware |
| MS Multifamily Investment Platform, Inc. | Delaware |
| MSREA Holdings, LLC | Delaware |
| MSREA LL Holdings, LLC | Delaware |
| Morgan Stanley Real Estate Funding II, Inc. | Delaware |
| Morgan Stanley Real Estate F Funding, Inc. | Delaware |
| Morgan Stanley Real Estate F Funding Partner, Inc. | Delaware |
| Morgan Stanley Real Estate F International Funding L.P.* | Delaware |
| Morgan Stanley Real Estate Fund, Inc. | Delaware |
| MSREF I, L.L.C. | Delaware |
| MSREF I-CO, L.L.C. | Delaware |
| Morgan Stanley Real Estate Investment Management II, Inc. | Delaware |
| MSREF II-CO, L.L.C. | Delaware |
| Morgan Stanley Realty Incorporated | Delaware |
| BH-MS Realty Inc. | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| BH-MS Leasing Inc. | Delaware |
| Brooks Harvey & Co., Inc. | Delaware |
| Dean Witter Global Realty Inc. | Delaware |
| Japan Realty Finance Company | Cayman Islands |
| Japan Realty Finance Company II | Cayman Islands |
| Lombard Servicing Inc. | Delaware |
| Morgan Stanley Properties, Inc. | Delaware |
| Morgan Stanley Capital (Real Estate) Pte. Ltd. | Singapore |
| Morgan Stanley Properties Corso Venezia S.r.l.* | Italy |
| Morgan Stanley Properties France SAS | France |
| Morgan Stanley Properties Germany GmbH | Germany |
| Morgan Stanley Properties Hong Kong Limited | Hong Kong |
| Morgan Stanley Capital Ltd.* | Republic of Korea |
| MSK Management II, Ltd.* | Republic of Korea |
| Morgan Stanley Properties (Mauritius) India | Mauritius |
| Morgan Stanley Properties India Real Estate Management Private Limited | India |
| MSP China Holdings Limited | Cayman Islands |
| Morgan Stanley Properties Advisory Corp. Limited | Cayman Islands |
| Beijing Kaili Asset Servicing Co., Ltd.* | People's Rep. of China |
| Morgan Stanley Properties (China) Co. Ltd. | People's Rep. of China |
| MSDI Investment Services* | People's Rep. of China |
| Panorama Hospitality Limited | United Kingdom |
| Panorama Hospitality Global, Inc. | Delaware |
| MS Japan REIT Holding KK | Japan |
| MS Japan Strategic Core Acquisition KK | Japan |
| Tokyo Realty Investment Company | Cayman Islands |
| Tokyo Realty Investment Company II | Cayman Islands |
| Morgan Stanley Reinsurance Ltd | Bermuda |
| Morgan Stanley Renewables Inc | Delaware |
| Morgan Stanley Biomass LLC | Delaware |
| Morgan Stanley BrighSource LLC | Delaware |
| Morgan Stanley Geothermal LLC | Delaware |
| MS Greenrock LLC | Delaware |
| Carson Solar I, LLC | Delaware |
| Morgan Stanley Renewable Development Fund LLC | Delaware |
| MS Solar I LLC | Delaware |
| MS SolarCity LLC | Delaware |
| Solar Star California III LLC | Delaware |
| Solar Star California V LLC | Delaware |
| Solar Star California VI LLC | Delaware |
| Solar Star California IX LLC | Delaware |
| Solar Star WMT I, LLC | Delaware |
| Morgan Stanley Wind LLC | Delaware |
| Morgan Stanley Risk Services LLC | Delaware |
| Morgan Stanley SECAP Funding, LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Securities, Inc. | Delaware |
| MS Equity Products (Luxembourg) S.à.r.l | Luxembourg |
| Morgan Stanley Securitization Funding Inc. | Delaware |
| Morgan Stanley Senior Funding, Inc. | Delaware |
| Inversiones Sudamerica Uno Ltda.* | Republic of Chile |
| Morgan Stanley European Event Driven Finance, Inc. | Delaware |
| Morgan Stanley European Funding, Inc. | Delaware |
| Morgan Stanley European Leveraged Products Inc. | Delaware |
| Morgan Stanley European Transaction Finance, Inc | Delaware |
| Morgan Stanley MSSF LLC | Delaware |
| Morgan Stanley Senior Funding (Capital), Inc. | Delaware |
| Morgan Stanley Senior Funding (Nova Scotia) Co. | Canada |
| MSSFG (SPV-AMC) Inc.* | The Philippines |
| Tenedora Dalia, S. de R.L. de C.V.* | Mexico |
| Morgan Stanley Services Canada Holding Corp. | <u>Delaware</u> |
| Morgan Stanley Services Canada Corp. | Nova Scotia |
| Morgan Stanley Services Inc. | Delaware |
| Morgan Stanley Special Situations Group Inc. | Delaware |
| Morgan Stanley Stingray LLC | Delaware |
| Morgan Stanley Structured Products (Cayman) I Limited | Cayman Islands |
| Morgan Stanley Syrah One Limited | Cayman Islands |
| Morgan Stanley Barbera One Limited | Cayman Islands |
| Morgan Stanley Grenache One Limited | Cayman Islands |
| Morgan Stanley Grenache Three Limited | Cayman Islands |
| Morgan Stanley Grenache Two Limited | Cayman Islands |
| Morgan Stanley Technical Services Inc. | Delaware |
| Morgan Stanley Technical Services MB/VC Inc. | Delaware |
| Morgan Stanley Tindur LLC | Delaware |
| Morgan Stanley Arete Limited | Cayman Islands |
| Morgan Stanley Hubbard Inc. | Delaware |
| Drumlin JV Inc.* | Delaware |
| Morgan Stanley Immarsuak LLC | Delaware |
| Morgan Stanley Hatteras I LLC* | Delaware |
| Morgan Stanley Hatteras II LLC* | Delaware |
| Morgan Stanley Pennine LLC* | Delaware |
| Morgan Stanley Scaffell Limited | Cayman Islands |
| Morgan Stanley Snowdon Inc.* | Delaware |
| Hamar JV Inc. | Delaware |
| Morgan Stanley Torridon LLC | Delaware |
| Morgan Stanley Tower, LLC | Delaware |
| MS Financing Inc. | Delaware |
| Broadway 522 Fifth JV LLC* | Delaware |
| G.H.Y. Capital II B.V. | The Netherlands |
| Morgan Stanley 750 Building Corp. | Delaware |
| G.H.Y. Capital B.V. | The Netherlands |
| Morgan Stanley CS Aviation Holdings, LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Delta LLC | Delaware |
| MSDW LTCP, L.L.C. | Delaware |
| MS Harrison LLC | Delaware |
| Morgan Stanley Trust | Federal Charter |
| Morgan Stanley Trust National Association | Federal Charter |
| Morgan Stanley Venture Capital II, Inc. | Delaware |
| Morgan Stanley Venture Capital III, Inc. | Delaware |
| Morstan Development Company, Inc. | Delaware |
| MS 10020, Inc. | Delaware |
| MS Capital Holdings Inc. | Delaware |
| MS CFN, Inc. | Delaware |
| MS Debt Opportunities Corp. | Delaware |
| MS Hawk I LLC | Delaware |
| MS Holdings Incorporated | Delaware |
| Morgan Stanley ARS Funding Inc. | Delaware |
| Morgan Stanley Global Macro Fund GP LLC | Delaware |
| Morgan Stanley Hedge Fund Partners Cayman Ltd | Cayman Islands |
| Morgan Stanley Hedge Fund Partners GP LP* | Delaware |
| Morgan Stanley HFP Investment Inc. | Delaware |
| Morgan Stanley Hedge Fund Partners LP* | Delaware |
| Morgan Stanley IMDCP Funding, LLC | Delaware |
| Morgan Stanley Infrastructure Inc | Delaware |
| Morgan Stanley Infrastructure GP LP* | Delaware |
| Morgan Stanley Offshore Infrastructure GP, Ltd. | Cayman Islands |
| Morgan Stanley Infrastructure Holdings, Inc. | Delaware |
| Morgan Stanley Private Equity Asia III, Inc. | Delaware |
| Morgan Stanley Private Equity Asia III, L.L.C. | Delaware |
| MSPEA SLP III, L.L.C. | Delaware |
| Morgan Stanley Real Estate Securities Global Best Ideas GP Inc | Delaware |
| MS Alternatives Funding, Inc | Delaware |
| MS Alternatives Funding Partner, Inc | Delaware |
| MS Alternatives Holding C Inc. | Delaware |
| MS Alternatives Holding C (Cayman) Ltd. | Cayman Islands |
| MS Alternatives Holding D Inc. | Delaware |
| MS Alternatives Holding E Inc. | Delaware |
| MS ARS Holding A Inc. | Delaware |
| MS ARS Holding B Inc. | Delaware |
| MS Capital Partners Adviser, Inc. | Delaware |
| MS Fixed Income Group Management Inc. | Delaware |
| MSCP V GP, Inc. | Delaware |
| MS Capital Partners GP LP | Cayman Islands |
| MSGFI Management Inc. | Delaware |
| Private Investment Partners Inc. | Delaware |
| Private Investment Partners GP Inc. | Delaware |
| TAM Investment Holdings, Inc | Delaware |
| FrontPoint Partners LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Brookville Horizons Fund GP, LLC | Delaware |
| Brookville Onshore Horizons Fund 1 GP, LLC | Delaware |
| FPP Healthcare Fund 2X GP, LLC | Delaware |
| FrontPoint Asia Pacific GP, LLC | Delaware |
| FrontPoint BCO GP, LLC | Delaware |
| FrontPoint Consumer and Industrials Fund GP, LLC | Delaware |
| FrontPoint Copia Energy Horizons Fund GP, LLC* | Delaware |
| FrontPoint Enhanced Alpha Fund I GP, LLC | Delaware |
| FrontPoint Enhanced Index Fund U.S. Equity Series GP, LLC | Delaware |
| FrontPoint European Fund GP, LLC | Delaware |
| FrontPoint Financial Horizons Fund GP, LLC | Delaware |
| FrontPoint Financial Services Fund GP, LLC | Delaware |
| FrontPoint Global Emerging Markets Fund GP, LLC | Delaware |
| FrontPoint Greater China Fund GP, LLC | Delaware |
| FrontPoint Healthcare Centennial Fund GP, LLC | Delaware |
| FrontPoint Healthcare Fund GP, LLC | Delaware |
| FrontPoint Healthcare Horizons Fund GP, LLC | Delaware |
| FrontPoint Healthcare Long Horizons Fund GP, LLC | Delaware |
| FrontPoint Japan Fund 2X GP, LLC | Delaware |
| FrontPoint Japan Fund GP, LLC | Delaware |
| FrontPoint Japan Small/Mid Cap Fund GP, LLC | Delaware |
| FrontPoint JEMN GP, LLC | Delaware |
| FrontPoint Leveraged Multi-Strategy Fund GP, LLC | Delaware |
| FrontPoint Management (Hong Kong), Ltd. | Cayman Islands |
| FrontPoint Management Inc. | Delaware |
| FrontPoint Management Japan Limited | Cayman Islands |
| FrontPoint Management (UK) LLP | United Kingdom |
| FrontPoint Management Services, LLC | Delaware |
| FrontPoint Multi-Strategy Fund GP, LLC | Delaware |
| FrontPoint Quantitative Macro Fund GP, LLC | Delaware |
| FrontPoint RCL Equity Long/Short Fund GP, LLC | Delaware |
| FrontPoint Relative Value Opportunities Fund GP, LLC | Delaware |
| FrontPoint Service Company (UK) Limited | United Kingdom |
| FrontPoint Service Company (UK) No 2 Limited | United Kingdom |
| FrontPoint Strategic Alpha Manager, LLC | Delaware |
| FrontPoint Strategic Credit Fund, LLC | Delaware |
| FrontPoint Technology Fund GP, LLC | Delaware |
| FrontPoint Universal GP, LLC | Delaware |
| FrontPoint Utility and Energy Fund GP, LLC* | Delaware |
| FrontPoint Volatility Opportunities Fund GP, LLC | Delaware |
| Stadia Capital GP, LLC | Delaware |
| MS Kasko LLC | Delaware |
| North European Funding LLC | Delaware |
| MS Lion LLC | Delaware |
| Morgan Stanley Beta Investments Limited | United Kingdom |
| Morgan Stanley Bucine Limited | United Kingdom |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Cooper Limited | United Kingdom |
| Morgan Stanley Levin Limited Partnership | United Kingdom |
| Morgan Stanley Gamma Investments* | United Kingdom |
| Morgan Stanley Swallow Limited | United Kingdom |
| MS Leopard Inc.* | Delaware |
| MS Lynx Ltd. | Cayman Islands |
| Puma JV LLC | Delaware |
| MS Tiger Ltd. | Cayman Islands |
| Oncilla LLC* | Delaware |
| MS Low Income Housing Corporation | Delaware |
| Conchito I LLC | Delaware |
| Esox LLC | Delaware |
| Guannaco I LLC | Delaware |
| Mombacho I LLC | Delaware |
| MS Guaranteed Tax Credit Fund XVI, LLC | Delaware |
| MS Stanley Guaranteed Tax Credit Fund XXIII, LLC | Delaware |
| MS Guaranteed Tax Credit Fund XXII, LLC | Delaware |
| Morgan Stanley Georgia Tax Credit Fund III, LLC | Delaware |
| Morgan Stanley New Markets, Inc. | Delaware |
| MS New Markets I LLC | Delaware |
| MS New Markets II LLC | Delaware |
| MS New Markets III LLC | Delaware |
| MS New Markets IV LLC | Delaware |
| MS New Markets V LLC | Delaware |
| MS New Markets VI LLC | Delaware |
| MS New Markets VII LLC | Delaware |
| MS New Markets VIII LLC | Delaware |
| MS New Markets IX LLC | Delaware |
| MS New Markets X LLC | Delaware |
| MS CTH MHP II LLC | Delaware |
| MS CTH SLP Operating LLC | Delaware |
| MS CTH Special General Partner II LLC | Delaware |
| MS LIHTC FCG LLC | Delaware |
| MS LIHTC FCG Fund I LLC* | Delaware |
| MS LIHTC FCG Fund II LLC* | Delaware |
| MS LIHTC FCG II LLC | Delaware |
| Paquia LLC | Delaware |
| Pietra I LLC | Delaware |
| Pietra II LLC | Delaware |
| Pietra III LLC | Delaware |
| Pinol II LLC | Delaware |
| Pinol III LLC | Delaware |
| Pinol IV LLC | Delaware |
| Pinol V LLC | Delaware |
| BMC NAB Trust Investment Fund LLC | Delaware |
| HIGC Investment Fund LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Trova I LLC | Delaware |
| Trova II LLC | Delaware |
| Trova III LLC | Delaware |
| Trova IV LLC | Delaware |
| Viento LLC | Delaware |
| Viento II LLC | Delaware |
| Viento III LLC | Delaware |
| Viento IV LLC | Delaware |
| Viento V LLC | Delaware |
| Viento VI LLC | Delaware |
| Viento VII LLC | Delaware |
| Viento VIII LLC | Delaware |
| Viento IX LLC | Delaware |
| Viento X LLC | Delaware |
| Viento XI LLC | Delaware |
| Viento XII LLC | Delaware |
| Viento XIII LLC | Delaware |
| Viento XIV LLC | Delaware |
| Wiwili I LLC | Delaware |
| Wiwili II LLC | Delaware |
| Wiwili III LLC | Delaware |
| Wiwili IV LLC | Delaware |
| Wiwili V LLC | Delaware |
| WiWili VI LLC | Delaware |
| WiWili VII LLC | Delaware |
| MS Low Income Housing II Corporation | Delaware |
| Morgan Stanley Kashi LLC | Delaware |
| MS LIHTC FCG INT LLC | Delaware |
| MS Taishan Inc. | Delaware |
| Vicuna I LLC | Delaware |
| Vicuna II LLC | Delaware |
| Vicuna III LLC | Delaware |
| Vicuna IV LLC | Delaware |
| Warepool 1A LLC | Delaware |
| Warepool 2A LLC | Delaware |
| Warepool 3A LLC | Delaware |
| Warepool 4A LLC | Delaware |
| Warepool 5A LLC | Delaware |
| Warepool 6A LLC | Delaware |
| Warepool 7A LLC | Delaware |
| Warepool 8A LLC | Delaware |
| Warepool 9A LLC | Delaware |
| MS Low Income Housing III Corporation | Delaware |
| Warepool SLP LLC | Delaware |
| MS Pegau LLC | Delaware |
| MS Beaucastel LLC | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Rhone Robles LLC | Delaware |
| SNQ Investments LLC | Delaware |
| MS Real Estate Mezzanine Advisor, Inc. | Delaware |
| MS Revel EFS LLC | Delaware |
| D&Z Limited | Cayman Islands |
| MS Structured Asset Corp. | Delaware |
| MS Synfuels, Inc. | Delaware |
| MS Rosebank LLC | Delaware |
| Morgan Stanley Strand Limited | Cayman Islands |
| Cornelia Limited* | Cayman Islands |
| Clifton Limited | Cayman Islands |
| Lindley Sarl | Luxembourg |
| Linksfield Sarl | Luxembourg |
| Seapoint Investments (Proprietary) Limited | South Africa |
| MS Douglasdale Limited | Cayman Islands |
| Bondi Limited | Cayman Islands |
| MS Melville LLC* | Delaware |
| MS Dainfern LLC* | Delaware |
| MS Greenside LLC | Delaware |
| MS Houghton LLC | Delaware |
| Sandhurst Partnership* | Delaware |
| MS Sandhurst FX LLC | Delaware |
| Morgan Stanley Prosen Limited | Delaware |
| Toolio Limited | Cayman Islands |
| MS Technology Holdings, Inc. | Delaware |
| MS Venture Capital Holdings, Inc. | Delaware |
| MSAM Holdings II, Inc. | Delaware |
| Van Kampen Investments Inc. | Delaware |
| Van Kampen Advisors Inc. | Delaware |
| Van Kampen Asset Management | Delaware |
| Van Kampen Exchange Corp. | California |
| Van Kampen Funds Inc. | Delaware |
| Van Kampen Investor Services Inc. | Delaware |
| MSBF Inc. | Delaware |
| MSCI Inc.* | Delaware |
| Barra, Inc. | Delaware |
| Barra International Ltd. | Delaware |
| Barra Consult Ltda. | Brazil |
| Barra International (Australia) Pty Ltd | Australia |
| Investment Performance Objects Pty Ltd | Australia |
| Barra Japan Co., Ltd | Japan |
| Financial Engineering Associates, Inc. | California |
| MSCI Barra Financial Information Consultancy (Shanghai) Limited | People's Rep. of China |
| MSCI Australia Pty Limited | Australia |
| MSCI Barra SA | Switzerland |
| MSCI Kft. | Hungary |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| MSCI Limited | United Kingdom |
| MSCI S. de R.L. de C.V.* | Mexico |
| MSCI Services Private Limited | India |
| MSCP III Holdings, Inc. | Delaware |
| Morgan Stanley Proprietary Trading Co. (Cayman) Limited | Cayman Islands |
| MSDW Capital Partners IV, Inc. | Delaware |
| MSDW Capital Trust I | Delaware |
| MSDW Carnoustie LLC | Delaware |
| Morgan Stanley Bembridge Inc. | Delaware |
| Morgan Stanley Sandown Inc. | Delaware |
| MSDW Gleneagles Limited | Cayman Islands |
| Marchmont Capital, Inc.* | Delaware |
| MSDW CPIV Holdings, Inc. | Delaware |
| MSDW Credit Products Inc. | Delaware |
| Morgan Stanley Credit Products Ltd. | Cayman Islands |
| MSDW EFS Holdings Inc. | Delaware |
| MSDW Emerging Equity, Inc. | Delaware |
| MSDW Fixed Income Ventures Inc. | Delaware |
| Morgan Stanley Principal Investments, Inc | Delaware |
| MS China 11 Limited | Cayman Islands |
| Morgan Stanley Principal Investments Asia LLC | Delaware |
| MS China 6 Limited | Cayman Islands |
| MS China 7 Limited | Cayman Islands |
| MS China 8 Limited | Cayman Islands |
| MSPI Mauritius 1 Limited | Mauritius |
| Morgan Stanley Principal Investments Europe LLC | Delaware |
| Morgan Stanley Principal Investments North America LLC | Delaware |
| MS China 9 Limited | Cayman Islands |
| MS China 10 Limited | Cayman Islands |
| MS China 12 Limited | Cayman Islands |
| MSPI Hong Kong I Limited | Hong Kong |
| Morgan Stanley BrokerTec Holdings Inc. | Delaware |
| Morgan Stanley Strategic Investments, Inc. | Delaware |
| Eaux Vives Water Bottling Corp.* | Canada |
| Morgan Stanley Bahamas Investments LLC | Delaware |
| MSDW International Employee Services LLC | Delaware |
| MSDW Nederland B.V. | The Netherlands |
| MSDW Oak, LLC | Delaware |
| Maple JV, LLC* | Delaware |
| Sycamore II Inc. | Delaware |
| Elder, LLC | Delaware |
| Maple Finance, Inc. | Delaware |
| MSDW Birch (Cayman) Limited | Cayman Islands |
| MSDW Offshore Equity Services Inc. | Delaware |
| Fundlogic Holdings Inc. | Delaware |
| Fundlogic SAS | France |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| Morgan Stanley Deshka LLC | Delaware |
| Morgan Stanley Barnard LLC | Delaware |
| Morgan Stanley Chandra LLC | Delaware |
| Morgan Stanley Karluk LLC | Delaware |
| Morgan Stanley Keck LLC | Delaware |
| Morgan Stanley Mayall LLC | Delaware |
| Morgan Stanley Eemian Limited | Cayman Islands |
| Morgan Stanley Aral Limited | Cayman Islands |
| Morgan Stanley Equity Financing Services Ireland Limited | Ireland |
| Morgan Stanley Equity Holdings II (Ireland) Limited | Ireland |
| Morgan Stanley Equity Holdings (Netherlands) B.V. | Netherlands |
| Morgan Stanley GFD Hedge Holdings Limited | Cayman Islands |
| Morgan Stanley GFD Hedge Holdings II Limited | Cayman Islands |
| Morgan Stanley GFD Proprietary Holdings Limited | Cayman Islands |
| Morgan Stanley Hedging Co. Ltd. | Cayman Islands |
| Morgan Stanley Luxembourg Equity Holdings S.à.r.l. | Luxembourg |
| Bayport Holdings Limited | Gibraltar |
| Morgan Stanley Derivative Products (Luxembourg) Sarl | Luxembourg |
| Morgan Stanley Finance (Gibraltar) Limited | Gibraltar |
| Morgan Stanley Luxembourg Equity Trading (Jersey) LP* | Jersey, Channel Is. |
| Morgan Stanley Derivative Products (Portugal), Unipessoal Ltda. | Portugal |
| MSDW Equity Finance Services I (Cayman) Ltd. | Cayman Islands |
| MSDW Equity Investments Limited | Cayman Islands |
| MSDW Offshore Equity Services (Korea) Inc. | Delaware |
| MSDW OIP Investors, Inc. | Delaware |
| MSDW PE/VC Holdings, Inc. | Delaware |
| Morgan Stanley MBD Conduit Account, Inc. | Delaware |
| MSDW Real Estate Special Situations II, Inc. | Delaware |
| MSDW Real Estate Special Situations II-A Dutch Manager, B.V. | The Netherlands |
| MSDW Real Estate Special Situations II-B Dutch Manager, B.V. | The Netherlands |
| MSDW Real Estate Special Situations II-C Dutch Manager, B.V. | The Netherlands |
| MSDW Real Estate Special Situations II Holdings, L.L.C. | Delaware |
| MSDW Real Estate Special Situations II Manager, L.L.C. | Delaware |
| MSDW Real Estate Special Situations II-A Manager, L.L.C. | Delaware |
| MSDW Real Estate Special Situations II-B Manager, L.L.C. | Delaware |
| MSDW Real Estate Special Situations II-C Manager, L.L.C. | Delaware |
| MSDW Real Estate Special Situations II Partner, L.L.C. | Delaware |
| MSDW Strategic Ventures Inc. | Delaware |
| MSDW Synfuels II, Inc. | Delaware |
| MSDW Synfuels III, Inc. | Delaware |
| MSDW Venture Partners IV, Inc. | Delaware |
| MSDW VP IV Holdings, Inc. | Delaware |
| MSEOF, Inc. | Delaware |
| MSEOF Management LLC | Delaware |
| MSEOF Manager SARL | Luxembourg |
| MSGEM Holdings, Inc. | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| MSIT Holdings, Inc. | Delaware |
| MSPEA Holdings, Inc. | Delaware |
| MSREA Guaranty, Inc. | Delaware |
| MSRE Mezzanine, Inc. | Delaware |
| MSRE Mezzanine, LLC | Delaware |
| MSRE Mezzanine-GP, LLC | Delaware |
| MSREF II, Inc. | Delaware |
| MSREF II, L.L.C. | Delaware |
| MSREF III, Inc. | Delaware |
| MSREF III, L.L.C.* | Delaware |
| MSREF IV, Inc. | Delaware |
| MSREF IV, L.L.C. | Delaware |
| MSREF IV Domestic-GP, L.L.C. | Delaware |
| MSREF IV Domestic-LP, L.L.C. | Delaware |
| MSREF IV International-GP, L.L.C. | Delaware |
| MSREF IV International-LP, L.L.C. | Delaware |
| MSREF V Funding, Inc. | Delaware |
| MSREF V Funding Partner, Inc. | Delaware |
| MSREF V International Funding, L.P.* | Delaware |
| MSREF V, Inc. | Delaware |
| MSREF V, L.L.C. | Delaware |
| MSREF V U.S.-GP, L.L.C. | Delaware |
| MSREF V U.S.-LP, L.L.C. | Delaware |
| MSREF V International-GP, L.L.C. | Delaware |
| MSREF V International-LP, L.L.C. | Delaware |
| MSREF Real Estate Advisor, Inc. | Delaware |
| MSLOF I, Inc. | Delaware |
| MSLOF I, L.L.C.* | Delaware |
| MSLOF I-GP, L.L.C. | Delaware |
| MSREF VI, Inc. | Delaware |
| MSREF VI, L.L.C | Delaware |
| MSREF VI International-GP, L.L.C. | Delaware |
| MSREF VI International-LP, L.L.C. | Delaware |
| MSREF VII, Inc. | Delaware |
| MSREF VII Global (Cayman), L.L.C.* | Delaware |
| MSREF VII Global (Cayman), Ltd. | Cayman Islands |
| MSREF VII Global-GP Holding (Cayman), L.L.C. | Delaware |
| MSREF VII Global (Cayman), L.P.* | Cayman Islands |
| MSREF VII Global-GP (Cayman), L.P.* | Cayman Islands |
| MSREF VII Global, L.L.C.* | Delaware |
| MSREF VII Global, L.P.* | Canada |
| MSREF VII Global-GP, L.P.* | Canada |
| MSREF VII Global-LP, L.L.C. | Delaware |
| MSREF VII Global (U.S.), L.L.C.* | Delaware |
| MSREF VII Global-GP (U.S.), L.L.C. | Delaware |
| MSRESS III, Inc. | Delaware |

| Entity Name Indentations indicate control. * Has one or more minority shareholders. | Jurisdiction of Incorporation or Formation |
|---|---|
| MSRESS III Manager, L.L.C. | Delaware |
| Morgan Stanley Real Estate Special Situations III-GP, L.L.C | Delaware |
| MSREI Pose Co-Investment GP, L.L.C.* | Delaware |
| MSRESS III Opportunities Fund - GP, L.L.C. | Delaware |
| Morgan Stanley Real Estate Special Situations III-LP, L.L.C | Delaware |
| MSUH Holdings I, Inc. | Delaware |
| MSUH Holdings II, Inc. | Delaware |
| MS SP Urban Horizons, Inc. | Delaware |
| MS Urban Horizons, Inc. | Delaware |
| MSVP 2002 Holdings, Inc. | Delaware |
| MSVP 2002, Inc. | Delaware |
| MSVP 2002 Fund, LLC | Delaware |
| MSYS Holdings Inc. | Delaware |
| Musum I LLC | Delaware |
| Musum II LLC | Delaware |
| Pettingell LLC | Delaware |
| PG Holdings, Inc. | Delaware |
| PG Holdings III, Inc. | Delaware |
| PG Investors II, Inc. | Delaware |
| PG Investors III, Inc. | Delaware |
| PG Investors IV, Inc. | Delaware |
| Pierpont Power, Inc. | New York |
| Pinol I LLC | Delaware |
| Providence DE Funding Co. | Delaware |
| Providence DE Investments LLC | Delaware |
| Providence International Limited | Cayman Islands |
| Providence Valley Limited | Cayman Islands |
| Providence DE Holdings Co. | Delaware |
| Providence Cayman Holdings Limited | Cayman Islands |
| Reynolds Securities Inc. | Delaware |
| Shuksan LLC | Delaware |
| Morgan Stanley Eder S.a.r.l. | Luxembourg |
| Serratus LLC | Delaware |
| Strategic Investments I, Inc. | Delaware |
| MS Strategic (Mauritius) Limited | Mauritius |
| Strategic Investments II, Inc. | Delaware |
| Tooele Power, Inc. | Delaware |
| Ventura Holdings Inc. | Delaware |
| MS PA Gaming Holdings, Inc. | Delaware |
| Ventura Holdings NJ, Inc. | Delaware |
| Ventura AC LLC | New Jersey |
| Ventura Opportunities, LLC | Cayman Islands |
| Zephyr (Cayman) Limited | Cayman Islands |

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