REGISTRATION DOCUMENT

Morgan Stanley

MORGAN STANLEY

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

MORGAN STANLEY & CO. INTERNATIONAL plc

(*incorporated with limited liability in England and Wales*)

and

MORGAN STANLEY B.V.

(incorporated with limited liability in The Netherlands)

This registration document (including all documents incorporated by reference herein, the "**Registration Document**") has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") which is the Luxembourg competent authority for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg as a registration document issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg 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 & Co. International plc ("**MSI plc**"), and Morgan Stanley B.V. ("**MSBV**") as issuers or obligors in respect of debt or derivative securities.

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

Each of the Responsible Persons accepts responsibility for the information contained in the relevant document and confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in the relevant document is in accordance with the facts and contains no omission likely to affect the import of such information. "Responsible Person" means (i) Morgan Stanley with regard to the Morgan Stanley registration document (the "Morgan Stanley Registration Document") which comprises this Registration Document with the exception of (A) Items 5 to 8 in the section entitled "Information Incorporated by Reference" set out at pages 17-22; and (B) the Sections entitled "Description of Morgan Stanley & Co. International plc" at pages 67-73; and "Description of Morgan Stanley B.V." at pages 74-77, (ii) MSI plc in relation to the MSI plc registration document (the "MSI plc Registration Document") which comprises this Registration Document with the exception of (A) Items 1 to 4, 7 and 8 in the section entitled "Information Incorporated by Reference" set out at pages 17-22; and (B) the Sections entitled "Description of Morgan Stanley" at pages 23-66; "Description of Morgan Stanley B.V." at pages 74-77; and "Subsidiaries of Morgan Stanley" at pages 78-97; and (iii) MSBV with regard to the MSBV registration document (the "MSBV Registration Document") which comprises this Registration Document with the exception of (A) Items 1 to 6 in the section entitled "Information Incorporated by Reference" set out at pages 17-22; and (B) the Sections entitled "Description of Morgan Stanley" at pages 23-66; "Description of Morgan Stanley & Co. International plc" at pages 67-73; and "Subsidiaries of Morgan Stanley" at pages 78-97.

MORGAN STANLEY

5 June 2013

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, MSI plc and MSBV to inform themselves about and to observe any such restrictions.

This Registration Document is intended to form part of a prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures and should be read and construed with any 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, MSI plc or MSBV (or for which any of Morgan Stanley, MSI plc 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, MSI plc or MSBV, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by Morgan Stanley, MSI plc or MSBV or for which any of Morgan Stanley, MSI plc 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, MSI plc 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, MSI plc 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, MSI plc or MSBV (or in relation to which Morgan Stanley, MSI plc 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, MSI plc or MSBV (or for which Morgan Stanley, MSI plc 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, MSI plc or MSBV (or for which Morgan Stanley, MSI plc 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 or securities note.

All references in this Registration Document to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references to "U.S. dollars," "U.S.$" and "$" are to the lawful currency of the United States of America and all references to "euro", "€" and "EUR" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended (the "Treaty").

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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 and summary). Words and expressions defined elsewhere in this Registration Document have the same meanings in this section.

Prospective investors should consider the factors described below and consult with their own professional advisers if they consider it necessary. Each of Morgan Stanley, Morgan Stanley & Co. International plc and Morgan Stanley B.V. believes that the factors described below represent the principal risks with respect to each of Morgan Stanley, Morgan Stanley & Co. International plc and Morgan Stanley B.V. Prospective investors should consider, among other things, the following:

Risks Relating to Morgan Stanley, Morgan Stanley & Co. International plc and Morgan Stanley B.V.

Morgan Stanley is the ultimate parent company of the Morgan Stanley group of companies (Morgan Stanley and its consolidated subsidiaries, the "**Morgan Stanley Group**"). Morgan Stanley B.V. and Morgan Stanley & Co. International plc are both part of the Morgan Stanley Group.

All material assets of Morgan Stanley B.V. are obligations of one or more of the Morgan Stanley Group companies and securities issued by Morgan Stanley B.V. are guaranteed by Morgan Stanley.

There are substantial inter-relationships between Morgan Stanley & Co. International plc and Morgan Stanley as well as other Morgan Stanley Group companies, including the provision of funding, capital services and logistical support to or by Morgan Stanley & Co. International plc, as well as common or shared business or operational platforms or systems, including employees.

The principal risks with respect to Morgan Stanley described below will also represent the principal risks with respect to Morgan Stanley & Co. International plc and Morgan Stanley B.V., either as individual entities or as part of the Morgan Stanley Group.

Liquidity and Funding 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 negatively affected by its inability to raise funding in the long-term or short-term debt capital markets or Morgan Stanley's 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, including concerns regarding the European sovereign debt crisis or fiscal matters in the U.S., could impair its ability to raise funding. In addition, Morgan Stanley's ability to raise funding could be impaired if investors or lenders develop a negative perception of its long-term or short-term financial prospects due to factors such as if Morgan Stanley were to incur large trading losses, be downgraded by the rating agencies, suffer a decline in the level of Morgan Stanley's business activity, or if regulatory authorities take significant action against it, or it discovers significant employee misconduct or illegal activity. If Morgan Stanley is unable to raise funding using the methods described above, it would likely need to finance or 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, cash flows and financial condition.

Global markets and economic conditions have been negatively impacted by the European sovereign debt crisis. The continued uncertainty over the outcome of the E.U. governments' financial support programs and the possibility that other E.U. member states may experience similar financial troubles could further disrupt global markets. In particular, it has and could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of E.U. members. These factors, or market perceptions concerning such matters, could have an adverse effect on Morgan Stanley's business, financial condition and liquidity. In particular, in connection with certain of Morgan Stanley's Institutional Securities business segment activities, Morgan Stanley has exposure to European peripheral countries which are defined as exposures in Greece, Ireland, Italy, Portugal and Spain (the "**European Peripherals**"). At 31 December 2012, exposure before hedges to the European Peripherals was approximately $7,590 million and net exposure after hedges was approximately $6,346 million. Exposure includes obligations from sovereign governments, corporations and financial institutions. In addition, at 31 December 2012, Morgan Stanley had European Peripherals exposure for overnight deposits with banks of approximately $81 million.

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 impacted by Morgan Stanley's short-term and long-term credit ratings. The rating agencies are continuing to monitor certain issuer specific factors that are important to the determination of Morgan Stanley's credit ratings including governance, the level and quality of earnings, capital adequacy, funding and liquidity, risk appetite and management, asset quality, strategic direction and business mix. Additionally, the rating agencies will look at other industry-wide factors such as regulatory or legislative changes, macro-economic environment, and perceived levels of government support, and it is possible that they could downgrade Morgan Stanley's ratings and those of similar institutions.

Morgan Stanley's credit ratings also can have a significant impact on certain trading revenues, particularly in those businesses where longer term counterparty performance is a key consideration, such as over the counter ("**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 segment, Morgan Stanley may be required to provide additional collateral to, or immediately settle any outstanding liability balance with, certain counterparties in the event of a credit ratings downgrade. Termination of Morgan Stanley's trading and other agreements could cause it to sustain losses and impair its liquidity by requiring it to find other sources of financing or to make significant cash payments or securities movements. Morgan Stanley's long-term credit ratings by Moody's Investors Service, Inc ("**Moody's**") and Standard & Poor's Financial Services LLC ("**S&P**") are currently at different levels (commonly referred to as "split ratings"). At 31 December 2012, the amounts of future potential collateral amounts that could be called by counterparties under the terms of such OTC trading agreements and other agreements in the event of a downgrade of Morgan Stanley's long-term credit rating under various scenarios for Moody's and S&P were as follows: (i) $472 million (Baa1 Moody's/ BBB+ S&P); (ii) $2,556 million (Baa2 Moody's/BBB S&P); and (iii) $3,574 million (Baa3 Moody's/BBB- S&P). In addition, Morgan Stanley is required to pledge additional collateral to certain exchanges and clearing organizations in the event of a credit rating downgrade. At 31 December 2012, the increased collateral requirement at certain exchanges and clearing organizations under various scenarios was zero (Baa1 Moody's/BBB+ S&P); zero (Baa2 Moody's/BBB S&P); and $128 million (Baa3 Moody's/BBB- S&P).

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, tax restrictions or elections 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, regulations and self-regulatory organization rules 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, regulations and rules 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 or repurchase Morgan Stanley's stock. 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 company subsidiaries.

Morgan Stanley's liquidity and financial condition have in the past been, and in the future could 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 in the past been, and could in the future be, adversely affected by conditions in the U.S. and international markets and economy. Global market and economic conditions have been particularly disrupted and volatile in the last several years, and continue to be, including as a result of the European sovereign debt crisis and uncertainty regarding U.S. fiscal matters. In particular, Morgan Stanley's cost and availability of funding have been, and may in the future be, adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence in the U.S., the E.U. and other international markets and economies could 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, rates, indices, implied volatilities (the price volatility of the underlying instrument imputed from option prices), correlations or other market factors, such as market 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 global and economic conditions and other factors

Morgan Stanley's results of operations may be materially affected by market fluctuations due to global and economic conditions and other factors. The results of operations in the past have been, and in the future may continue to be, materially affected by many factors, including the effect of economic and political conditions and geopolitical events; the effect of market conditions, particularly in the global equity, fixed income, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and commercial real estate markets; the impact of current, pending and future legislation (including the Dodd-Frank Act), regulation (including capital, leverage and liquidity requirements), and legal actions in the U.S. and worldwide; the level and volatility of equity, fixed income and commodity prices, interest rates, currency values and other market indices; the availability and cost of both credit and capital as well as the credit ratings assigned to Morgan Stanley's unsecured short-term and long-term debt; investor, consumer and business sentiment and confidence in the financial markets; the performance of Morgan Stanley's acquisitions, joint ventures, strategic alliances or other strategic arrangements (including Morgan Stanley's 65% interest in Morgan Stanley Smith Barney Holdings LLC (the "**Wealth Management Joint Venture**") and with Mitsubishi UFJ Financial Group, Inc. ("**MUFG**")); Morgan Stanley's reputation; inflation, natural disasters, and acts of war or terrorism; the actions and initiatives of current and potential competitors, as well as governments, regulators and self-regulatory organizations; the effectiveness of Morgan Stanley's risk management policies; and technological changes or a combination of these or other factors. In addition, legislative, legal and regulatory developments related to Morgan Stanley's businesses are likely to increase costs, thereby affecting results of operations. These factors also may have an adverse impact on Morgan Stanley's ability to achieve Morgan Stanley's strategic objectives.

The results of Morgan Stanley's Institutional Securities business segment, 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, as well as the level of client assets, may also decrease, which would negatively impact the results of its Global Wealth Management Group business segment. 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 segment.

Morgan Stanley may experience declines in value 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 particularly during periods of market displacement. 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 cause a decline in the value of Morgan Stanley's securities portfolio, which may have an adverse effect on its results of operations in future periods.

In addition, 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. However, severe market events have historically been difficult to predict, as seen in the last several years, and Morgan Stanley could realize significant losses if extreme market events were to occur.

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, investing, block trading, underwriting and lending businesses in the event of unfavourable market movements. Morgan Stanley commits substantial amounts of capital to these businesses, which often results in Morgan Stanley taking large positions in the securities of, or making large loans to, a particular issuer or issuers in a particular industry, country or region.

Morgan Stanley has incurred, and may continue to incur, significant losses in 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.

Morgan Stanley also 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 have been, and may continue to be, adversely affected by the downturn in the real estate sector. In connection with these activities, Morgan Stanley has provided, or has otherwise agreed to be responsible for, certain representations and warranties. Under certain circumstances, Morgan Stanley may be required to repurchase such assets or make other payments related to such assets if such representations and warranties were breached. Between 2004 and 31 December 2012, Morgan Stanley sponsored approximately $148 billion of residential mortgage-backed securities ("**RMBS**") primarily containing U.S.

residential loans. Of that amount, Morgan Stanley made representations and warranties concerning approximately $47 billion of loans and agreed to be responsible for the representations and warranties made by third-party sellers, many of which are now insolvent, on approximately $21 billion of loans. At 31 December 2012, the current unpaid principal balance (the "**UPB**") for all the residential assets subject to such representations and warranties was approximately $20.1 billion and the cumulative losses associated with U.S. RMBS were approximately $12.3 billion. Morgan Stanley did not make, or otherwise agree to be responsible, for the representations and warranties made by third party sellers on approximately $80 billion of residential loans that it had securitized during that time period. Morgan Stanley has not sponsored any U.S. RMBS transactions since 2007.

Morgan Stanley has also made representations and warranties in connection with its role as an originator of certain commercial mortgage loans that it securitized in commercial mortgage-backed securities ("**CMBS**"). Between 2004 and 31 December 2012, Morgan Stanley originated approximately $45 billion and $21 billion of U.S. and non-U.S. commercial mortgage loans, respectively, that were placed into CMBS sponsored by it. As of 31 December 2012, the current UPB for all U.S. commercial mortgage loans subject to such representations and warranties was $33.2 billion. At 31 December 2012, the current UPB when known for all non-U.S. commercial mortgage loans, subject to such representations and warranties was approximately $6.3 billion, and the UPB at the time of sale when the current UPB is not known was $0.4 billion.

Over the last several years, the level of litigation and investigatory activity focused on residential mortgage and credit crisis-related matters has increased materially in the financial services industry. As a result, Morgan Stanley has been and expects that it may continue to become, the subject of increased claims for damages and other relief regarding residential mortgages and related securities in the future. Morgan Stanley continues to monitor its real estate-related activities in order to manage its exposures and potential liability from these markets and businesses.

Credit Risk

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations.

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

Morgan Stanley incurs significant credit risk exposure through the Institutional Securities business segment. This risk may arise from a variety of business activities, including but not limited to entering into swap or other derivative contracts under which counterparties have obligations to make payments to Morgan Stanley; extending credit to clients through various lending commitments; providing short or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools whereby the value of these assets may fluctuate based on realized or expected defaults on the underlying obligations or loans.

Morgan Stanley also incurs credit risk in the Global Wealth Management Group business segment lending to individual investors, including, but not limited to, margin and non-purpose loans collateralized by securities, residential mortgage loans and home equity lines of credit.

While Morgan Stanley believes current valuations and reserves adequately address Morgan Stanley's perceived levels of risk, there is a possibility that continued difficult economic conditions may further negatively impact Morgan Stanley's clients and Morgan Stanley's current credit exposures. 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.

A default by another large 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 and credit 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. fraud, legal and compliance risks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and control groups (e.g. information technology and trade processing). Legal, regulatory and compliance risk is included in the scope of operational risk and is discussed below under "Legal, Regulatory and Compliance Risk".

Morgan Stanley is subject to operational risk that 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 centers operated by unaffiliated 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 a third party's systems or improper or unauthorized 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.

Morgan Stanley's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems. Like other financial services firms, Morgan Stanley has been and continues to be subject to unauthorized access, mishandling or misuse, computer viruses or malware, cyber attacks and other events. Events such as these could have a security impact on Morgan Stanley's systems and jeopardize it or its clients' or counterparties' personal, confidential, proprietary or other information processed and stored in, and transmitted through, Morgan Stanley's computer systems. Furthermore, such events could cause interruptions or malfunctions in its, its clients', its counterparties' or third parties' operations, which could result in reputational damage, litigation or regulatory fines or penalties not covered by insurance maintained by Morgan Stanley, and adversely affect its business, financial condition or results of operations.

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, catastrophic events, electrical, environmental, communications or other services used by Morgan Stanley, its employees or third parties with whom Morgan Stanley conducts business.

Legal, Regulatory and Compliance Risk

Legal, regulatory and compliance risk includes the risk of exposure to fines, penalties, judgments, damages and/or settlements in connection with regulatory or legal actions as a result of non-compliance with applicable legal or regulatory requirements and standards or litigation. Legal, regulatory and compliance risk also includes contractual and commercial risk such as the risk that a counterparty's performance obligations will be unenforceable. In today's environment of rapid and possibly transformational regulatory change, Morgan Stanley also views regulatory change as a component of legal, regulatory and compliance risk.

The financial services industry is subject to extensive regulation, which is undergoing major changes that will impact Morgan Stanley's business.

Like other major financial services firms, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where it conducts its business. These laws and regulations significantly affect the way Morgan Stanley does business, and could restrict the scope of its existing businesses and limit its ability to expand its product offerings and pursue certain investments.

In response to the financial crisis, legislators and regulators, both in the U.S. and worldwide, have adopted, or are currently considering enacting, financial market reforms that have resulted and could result in major changes to the way Morgan Stanley's global operations are regulated. In particular, as a result of the Dodd-Frank Act, Morgan Stanley is, or will become, subject to (among other things) significantly revised and expanded regulation and supervision, to more intensive scrutiny of Morgan Stanley's businesses and any plans for expansion of those businesses, to new activities limitations, to a systemic risk regime that will impose heightened capital and liquidity requirements to new restrictions on activities and investments imposed by the Volcker Rule, and to comprehensive new derivatives regulation. While certain portions of the Dodd-Frank Act were effective immediately, other portions will be effective following extended transition periods or through numerous rule makings by multiple government agencies, and only a portion of those rulemakings have been completed. Many of the changes required by the Dodd-Frank Act could in the future materially impact the profitability of Morgan Stanley's businesses and the value of assets Morgan Stanley holds, expose Morgan Stanley to additional costs, require changes to business practices or force Morgan Stanley to discontinue businesses, adversely affect Morgan Stanley's ability to pay dividends, or require Morgan Stanley to raise capital, including in ways that may adversely impact Morgan Stanley's shareholders or creditors. While there continues to be uncertainty about the full impact of these changes, Morgan Stanley will be subject to a more complex regulatory framework, and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

For example, the Volcker Rule provision of the Dodd-Frank Act will have an impact on Morgan Stanley, including potentially limiting various aspects of its business. Although the Volcker Rule became effective on 21 July 2012, compliance is not required until 21 July 2014, subject to possible extensions. U.S. regulators issued proposed regulations to implement the Volcker Rule in 2011 but have not yet issued final regulations. There remains considerable uncertainty about what the final version of those regulations will be or the impact they may have on its businesses. Even after the final rules are issued, there may be continued uncertainty regarding their interpretation and impact on Morgan Stanley's businesses. Morgan Stanley is closely monitoring regulatory developments related to the Volcker Rule, and when the regulations are final, Morgan Stanley will complete a review of its relevant activities and make plans to implement compliance with the Volcker Rule.

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

As a global financial services firm, Morgan Stanley faces the risk of investigations and proceedings by governmental and self-regulatory organizations in all countries in which it conducts its business. Interventions by authorities may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. In addition to the monetary consequences, these measures could, for example, impact Morgan Stanley's ability to engage in, or impose limitations on, certain of its businesses. The number of these investigations and proceedings, as well as the amount of penalties and fines sought, has increased substantially in recent years with regard to many firms in the financial services industry, including Morgan Stanley. Significant regulatory action against Morgan Stanley could materially adversely affect its business, financial condition or results of operations or cause it significant reputational harm, which could harm its business. The Dodd-Frank Act also provides compensation to whistleblowers who present the SEC or CFTC with information related to securities or commodities laws violations that leads to a successful enforcement action. As a result of this compensation, it is possible Morgan Stanley could face an increased number of investigations by the SEC or CFTC.

Morgan Stanley has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions, and other litigation, as well as investigations or proceedings brought by regulatory agencies, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal or regulatory actions include claims for substantial compensatory and/or punitive damages, claims for indeterminate amounts of damages, or may result in penalties, fines, or other results adverse to Morgan Stanley. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or in financial distress. 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 could materially adversely affect Morgan Stanley's business, financial condition or results of operations or cause significant reputational harm, which could seriously harm Morgan Stanley's business. For example, recently, the level of litigation activity focused on residential mortgage and credit crisis related matters has increased materially in the financial services industry. As a result, Morgan Stanley has been and expects that it may continue to become the subject of increased claims for damages and other relief regarding residential mortgages and related securities in the future and there can be no assurance that additional material losses will not be incurred from residential mortgage claims that have not yet been notified to it or are not yet determined to be material.

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 segment, Morgan Stanley engages in the production, storage, transportation, marketing and trading of several commodities, including metals (base and precious), agricultural products, crude oil, oil products, natural gas, electric power, emission credits, coal, freight, liquefied natural gas and related products and indices. In addition, Morgan Stanley is an electricity power marketer in the U.S. and owns electricity generating facilities in the U.S. and Europe; Morgan Stanley owns TransMontaigne Inc. and its subsidiaries, a group of companies operating in the refined petroleum products marketing and distribution business; and Morgan Stanley owns a minority interest in Heidmar Holdings LLC, which owns a group of companies that 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, commodities, environmental, health and safety and other governmental laws and regulations. In addition, liability may be incurred without regard to fault under certain environmental laws and regulations for the remediation of contaminated areas. Further, through these activities Morgan Stanley is exposed to regulatory, physical and certain indirect risks associated with climate change. 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 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, results of operations and cash flows may be adversely affected by these events.

Morgan Stanley continues to engage in discussions with the Fed regarding its commodities activities, as the Bank Holding Company Act of 1956, as amended (the "**BHC Act**") provides a grandfather exemption for "activities related to the trading, sale or investment in commodities and underlying physical properties," provided that Morgan Stanley were engaged in "any of such activities as of 30 September 1997 in the United States" and provided that certain other conditions that are within Morgan Stanley's reasonable control are satisfied. If the Fed were to determine that any of Morgan Stanley's commodities activities did not qualify for the BHC Act grandfather exemption, then it would likely be required to divest any such activities that did not otherwise conform to the BHC Act by the end of any extensions of the grace period.

Morgan Stanley also expects the other laws and regulations affecting its commodities business to increase in both scope and complexity. During the past several years, intensified scrutiny of certain 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 U.S. and the E.U. have increased their 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. In addition, new regulation of OTC derivatives markets in the U.S. and similar legislation proposed or adopted abroad will impose significant new costs and impose new requirements on Morgan Stanley's commodities derivatives activities. Morgan Stanley may incur substantial costs or loss of revenue 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 address conflicts of interest appropriately could adversely affect Morgan Stanley's businesses and reputation

As a global financial services firm that provides products and services to a large and diversified group of clients, 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 Morgan Stanley 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 mitigating 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 even if the likelihood of an actual conflict has been mitigated. It is possible that potential 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 and reputation.

Morgan Stanley's regulators have the ability to scrutinize Morgan Stanley's activities for potential conflicts of interest, including through detailed examinations of specific transactions. In addition, Morgan Stanley's status as a bank holding company supervised by the Fed subjects Morgan Stanley to direct Fed scrutiny with respect to transactions between Morgan Stanley's U.S. bank subsidiaries and their affiliates.

Risk Management

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

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 behavior. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate. For example, market conditions over the last several years have involved unprecedented dislocations and highlight the limitations inherent in using historical information to manage risk. Management of market, credit, liquidity, operational, legal, regulatory and compliance 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. Morgan Stanley's trading risk management strategies and techniques also seek to balance its ability to profit from trading positions with Morgan Stanley's exposure to potential losses. While it employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. Morgan Stanley may, therefore, incur losses in the course of its trading activities.

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 aspects of Morgan Stanley's businesses, are intensely competitive, and Morgan Stanley expects them to remain so. Morgan Stanley competes with commercial banks, brokerage firms, insurance companies, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds, energy companies and other companies offering financial or ancillary 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, risk appetite and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have left businesses, been acquired by or merged into other firms or have declared bankruptcy. Such changes could result in Morgan Stanley's remaining competitors gaining greater capital and other resources, such as the ability to offer a broader range of products and services and geographic diversity, or new competitors may emerge. Morgan Stanley has experienced and may continue to experience pricing pressures as a result of these factors and as some of its competitors seek to obtain market share by reducing prices. In addition, certain of its competitors may be subject to different, and in some cases, less stringent, legal and regulatory regimes, than Morgan Stanley is, thereby putting it at a competitive disadvantage.

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 or comparable fees. The trend toward direct access to automated, electronic markets will likely continue and will likely increase as additional markets move to more automated trading models. Morgan Stanley has experienced and it is likely that it will continue to 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.

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 changes based on business and individual performance and market conditions. If Morgan Stanley is unable to continue to attract and retain highly 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. The financial industry has and may continue to experience more stringent regulation of employee compensation, including limitations relating to incentive based compensation, clawback requirements and special taxation, which could have an adverse effect on Morgan Stanley's ability to hire or retain the most qualified employees.

International Risk

Morgan Stanley is subject to numerous political, economic, legal, operational, franchise 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, tax, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies 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 political, economic and financial disruptions, including significant devaluations of their currencies, defaults or potential defaults on sovereign debt, capital and currency exchange controls, high rates of inflation and low or negative growth rates in their economies. Crime and corruption, as well as issues of security and personal safety, 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 disease pandemic or other widespread health emergency, or concerns over the possibility of such an emergency as well as natural disasters, terrorist activities or military actions, 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.

As a U.S. company, Morgan Stanley is required to comply with the economic sanctions and embargo programs administered by the Treasury's Office of Foreign Assets Control ("**OFAC**") and similar multi-national bodies and governmental agencies worldwide, as well as applicable anti-corruption laws in the jurisdictions in which Morgan Stanley operates. A violation of a sanction, embargo program or anti-corruption law, could subject Morgan Stanley, and individual employees, to a regulatory enforcement action as well as significant civil and criminal penalties.

Acquisition and Joint Venture Risk

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

In connection with past or future acquisitions, joint ventures (including the Wealth Management Joint Venture) or strategic alliances (including with MUFG), Morgan Stanley 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, trading counterparties and business partners. In the case of joint ventures and minority stakes, Morgan Stanley is subject to additional risks and uncertainties because 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.

For example, the ownership arrangements relating to Morgan Stanley's joint venture in Japan with MUFG of their respective investment banking and securities businesses are complex. MUFG and Morgan Stanley have integrated their respective Japanese securities businesses by forming two joint venture companies, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("**MUMSS**") and Morgan Stanley MUFG Securities, Co., Ltd. ("**MSMS**").

In addition, conflicts or disagreements between Morgan Stanley and any of its joint venture partners may negatively impact the benefits to be achieved by the relevant joint venture.

There is no assurance that any of Morgan Stanley's acquisitions will be successfully integrated or yield 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, financial condition and cash flows may be materially and adversely affected.

Certain of Morgan Stanley's business initiatives, including expansions of existing businesses, may bring Morgan Stanley into contact, directly or indirectly, with individuals and entities that are not within Morgan Stanley's traditional client and counterparty base and may expose Morgan Stanley to new asset classes and new markets. These business activities expose Morgan Stanley to new and enhanced risks, greater regulatory scrutiny of these activities, increased credit-related, sovereign and operational risks, and reputational concerns regarding the manner in which these assets are being operated or held.

Risk factors specific to MSBV and MSI plc

All material assets of MSBV are obligations of one or more companies in the Morgan Stanley group and MSBV's ability to perform its obligations is dependent upon such companies fulfilling their obligations to MSBV

All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley group companies. If one of these Morgan Stanley group companies 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. Should this circumstance materialise, the payment obligations of MSBV under the terms of the securities would be guaranteed by Morgan Stanley.

Risks relating to insolvency proceedings in the Netherlands

The validity or enforceability of any documents or any legal act (*rechtshandeling*) forming part thereof or contemplated thereby in relation to any securities issued by MSBV are subject to and limited by the protection afforded by Netherlands law to creditors whose interests have been adversely affected pursuant to the rules of 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*). Furthermore, in the event of any insolvency proceedings being opened in the Netherlands in relation to MSBV, Dutch laws in relation to bankruptcy proceedings, in particular Section 42 et seq. of the Netherlands Bankruptcy Act (*Faillissementswet*) in relation to fraudulent conveyance or preference (*actio pauliana*) would apply.

There are substantial inter-relationships between MSI plc and other Morgan Stanley group companies

Morgan Stanley is the holding company of a global financial services group. MSI plc is one of the principal operating companies in the Morgan Stanley Group. MSI plc itself provides a wide range of financial and securities services. There are substantial inter-relationships between MSI plc and Morgan Stanley as well as other companies in the Morgan Stanley Group, including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees. As a consequence of such inter-relationships, and of the participation of both MSI plc and other Morgan Stanley Group companies in the global financial services sector, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Any such effect could be direct, for example, where economic or market factors directly affect the markets in which MSI plc and other companies in the Morgan Stanley Group operate, or indirect, for example where any factor affects the ability of other companies in the Morgan Stanley Group to provide services or funding or capital to MSI plc or, directly or indirectly, to place business with MSI plc. Similarly, any development affecting the reputation or standing of Morgan Stanley or other companies in the Morgan Stanley Group may have an indirect effect on MSI plc. Such inter-relationships should therefore be taken into account in any assessment of MSI plc.

No guarantee

Securities issued by MSI plc will not be guaranteed by Morgan Stanley. Although Morgan Stanley has in the past provided financial support to MSI plc through capital injection and debt financing, there is no assurance that it will do so in the future.

Risk is an inherent part of both Morgan Stanley's and the MSI plc Group's (as defined below) business activity and is managed by the MSI plc Group within the context of the broader Morgan Stanley Group. The Morgan Stanley Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities on a global basis, in accordance with defined policies and procedures and in consideration of the individual legal entities. The MSI plc Group's own risk management policies and procedures are consistent with those of the Morgan Stanley Group.

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(s)
	Morgan Stanley			
1.	Annual Report on Form 10-K for the year ended 31 December 2012	(1)	Paragraph titled "Credit Ratings"	99 to 100
		(2)	Report of Independent Registered Public Accounting Firm	137
		(3)	Consolidated Statements of Financial Condition	138 to 139
		(4)	Consolidated Statements of Income	140
		(5)	Consolidated Statements of Comprehensive Income	141
		(6)	Consolidated Statements of Cash Flows	142
		(7)	Consolidated Statements of Changes in Total Equity	143 to 144
		(8)	Notes to the Consolidated Financial Statements	145 to 282
		(9)	Paragraph titled "Management's Report on Internal Control Over Financial Reporting"	290
2.	Quarterly Report on Form 10-Q for the quarter ended 31 March 2013	(1)	Condensed Consolidated Statements of Financial Condition	1
		(2)	Condensed Consolidated Statements of Income	2
		(3)	Condensed Consolidated Statements of Comprehensive Income	3
		(4)	Condensed Consolidated Statements of Cash Flows	4
		(5)	Condensed Consolidated Statements of Changes in Total Equity	5 to 6

		(6)	Notes to Condensed Consolidated Financial Statements (unaudited)	7 to 88
		(7)	Report of Independent Registered Public Accounting Firm	89
		(8)	Management's Discussion and Analysis of Financial Condition and Results of Operations	90 to 135
		(9)	Quantitative and Qualitative Disclosures about Market Risk	136 to 150
		(10)	Controls and Procedures	151
		(11)	Financial Data Supplement (unaudited)	152 to 154
		(12)	Legal Proceedings	155 to 157
		(13)	Unregistered Sales of Equity Securities and Use of Proceeds	158
		(14)	Exhibits	158
		(15)	Signature	159
		(16)	Exhibit Index	E-1
3.	Current Report on Form 8-K dated 14 March 2013	Current Report on Form 8-K		1 to 3
4.	Proxy Statement dated 28 March 2013	(1)	Election of Directors	1 to 9
		(2)	Corporate Governance	9 to 19
		(3)	Beneficial Ownership of Company Common Stock	19 to 22
		(4)	Executive Compensation	22 to 55
		(5)	Ratification of Appointment of Morgan Stanley's Independent Auditor	55 to 57
		(6)	Morgan Stanley Proposal to Approve the Compensation of Executives as Disclosed in the Proxy Statement (Non-Binding Advisory Resolution)	57 to 59

		(7)	Morgan Stanley Proposal to Amend the 2007 Equity Incentive Compensation Plan to Increase Shares Available for Grant	59 to 66
		(8)	Morgan Stanley Proposal to Amend the 2007 Equity Incentive Compensation Plan to Provide for Qualifying Performance-Based Long-Term Incentive Awards under Section 162(m)	66 to 68
		(9)	Morgan Stanley Proposal to Amend the Section 162(m) Performance Formula Governing Annual Incentive Compensation for Certain Officers	68 to 70
		(10)	Information about the Annual Meeting	71 to 74
		(11)	Other Business	75
		(12)	Annex A (2007 Equity Incentive Compensation Plan)	A-1 to A-10
		(13)	Annex B (Performance Formula and Provisions)	B-1 to B-4
	Morgan Stanley & Co. International plc			
5.	Report and Financial Statements for the year ended 31 December 2012	(1)	Independent auditor's report	14 to 15
		(2)	Consolidated Income Statement	16
		(3)	Consolidated Statement of Comprehensive Income	17
		(4)	Consolidated Statement of Changes in Equity	18
		(5)	Consolidated Statement of Financial Position	19
		(6)	Consolidated Statement of Cash Flows	20
		(7)	Notes to the Consolidated Financial Statements	21
		(8)	MSI plc balance sheet	106
		(9)	Notes to MSI plc Financial Statements	107 to 135

6.	Report and Financial Statements for the year ended 31 December 2011	(1)	Independent Auditor's Report	12 to 13
		(2)	Consolidated Income Statement	14
		(3)	Consolidated Statement of Comprehensive Income	15
		(4)	Consolidated Statement of Changes in Equity	16 to 17
		(5)	Consolidated Statement of Financial Position	18
		(6)	Consolidated Statement of Cash Flows	19
		(7)	Notes to the Consolidated Financial Statements	20 to 93
		(8)	MSI plc Balance Sheet	94
		(9)	Notes to MSI plc Financial Statements	95 to 119

Morgan Stanley B.V.

7.	Report and Financial Statements for the year ended 31 December 2012	(1)	Independent Auditors' Report	49 to 50
		(2)	Statement of Comprehensive Income	8
		(3)	Statement of Changes in Equity	9
		(4)	Statement of Financial Position	10
		(5)	Statement of Cash Flows	11
		(6)	Notes to the Financial Statements	12 to 47
		(7)	Additional information	48
8.	Report and Financial Statements for the year ended 31 December 2011	(1)	Independent Auditors' Report	47 to 48
		(2)	Statement of Comprehensive Income	8
		(3)	Statement of Changes in Equity	9
		(4)	Statement of Financial Position	10
		(5)	Statement of Cash Flows	11
		(6)	Notes to the Financial Statements	12 to 45
		(7)	Additional information	46

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.

For the purposes of Article 28.4 of the Commission Regulation (EU) No 809/2004, any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Registration Document.

The non-incorporated parts of the documents listed above are as follows:

	Document filed	**Information not incorporated by reference**
	Morgan Stanley	
1.	Annual Report on Form 10-K for the year ended 31 December 2012	(1) Pages i – 136, save for the paragraph titled “Credit Ratings” on pages 99 - 100
		(2) Pages 283 - E-6, save for the paragraph titled "Management's Report On Internal Control Over Financial Reporting" on page 290
	Morgan Stanley & Co. International plc	
2.	Report and Financial Statements for the year ended 31 December 2012	Pages 1 - 13
3.	Report and Financial Statements for the year ended 31 December 2011	Pages 1 – 11
	Morgan Stanley B.V.	
4.	Report and Financial Statements for the year ended 31 December 2012	Pages 1 - 7
5.	Report and Financial Statements for the year ended 31 December 2011	Pages 1 - 7

Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2012 (at pages 99-100), incorporated by reference, includes details of the long-term and short-term credit ratings assigned to Morgan Stanley by DBRS, Inc. ("**DBRS**"), Fitch Ratings, Inc. ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**"), Rating and Investment Information, Inc. ("**R&I**") and Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Ratings Services ("**S&P**").

DBRS is not established in the European Economic Area ("**EEA**") but the ratings it has assigned to Morgan Stanley may be endorsed by DBRS Ratings Limited, which is established in the EEA and registered under Regulation 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended from time to time (the "**CRA Regulation**") by the relevant competent authority.

Fitch is not established in the EEA but the rating it has assigned to Morgan Stanley is endorsed by Fitch Ratings Limited, a rating agency established in the EEA and registered under the CRA Regulation by the relevant competent authority.

Moody's is not established in the EEA but the rating it has assigned to Morgan Stanley is endorsed by Moody's Investors Service Limited, which is established in the EEA and registered under the CRA Regulation by the relevant competent authority.

R&I is not incorporated in the EEA and is not registered under the CRA Regulation in the EU.

S&P is not established in the EEA but the rating it has assigned to Morgan Stanley is, with effect from 9 April 2012, endorsed by Standard and Poor's Credit Market Services Europe Limited, a rating agency established in the EEA and registered under the CRA Regulation by the relevant competent authority.

This Registration Document and any supplement thereto will be published on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) MSI plc and MSBV (www.morganstanleyiq.eu).

Copies of the documents containing the sections incorporated by reference in this Registration Document (i) relating to Morgan Stanley can be obtained from the website of Morgan Stanley (www.morganstanley.com) and (ii) relating to MSI plc and MSBV can be obtained from their website (www.morganstanleyiq.eu). Each of Morgan Stanley, MSI plc and MSBV will, at its principal executive offices (in the case of Morgan Stanley) or at its registered office (in the case of MSI plc or MSBV) and during the period of twelve months after the date of publication of this Registration Document, make available for inspection during normal business hours and free of charge, upon oral or written request:

(a) a copy of this Registration Document and any document containing the sections relating to such company incorporated by reference in this Registration Document;

(b) the Certificate of Incorporation and Amended and Restated By-laws of Morgan Stanley (these shall not be available at the registered office of MSI plc);

(c) the Certificate of Incorporation and the Articles of Association of MSI plc (these shall not be available at the registered office of Morgan Stanley or MSBV);

(d) the Deed of Incorporation of MSBV (this shall not be available at the registered office of MSI plc);

(e) all reports, letters, and other documents, historical financial information, valuations and statements (if any) prepared by any expert at the request of any such company which is included or referred to in this Registration Document; and

(f) the historical financial information of such company (or such company and its subsidiary undertakings) for each of the two financial years preceding the publication of this Registration Document.

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. Morgan Stanley is a financial holding company regulated by the Fed under the BHC Act.

Morgan Stanley operates under the General Corporation Law of the State of Delaware. As a financial holding company, it is regulated by the Fed under the BHC Act. As a major financial services firm that operates through its subsidiaries and affiliates, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where it conducts its business.

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

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

The following is an extract from the section entitled "Supervision and Regulation" in Part 1, Item 1 of the Annual Report on Form 10-K for the year ended 31 December 2012 of Morgan Stanley.

Supervision and Regulation

As a major financial services firm, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where it conducts its business. Moreover, in response to the 2007-2008 financial crisis, legislators and regulators, both in the U.S. and around the world, are in the process of adopting and implementing a wide range of reforms that will result in major changes to the way Morgan Stanley is regulated and conducts its business. It will take time for the comprehensive effects of these reforms to emerge and be understood.

Regulatory Outlook

The Dodd-Frank Act was enacted on 21 July 2010. While certain portions of the Dodd-Frank Act were effective immediately, other portions will be effective following extended transition periods or through numerous rulemakings by multiple governmental agencies, and only a portion of those rulemakings have been completed. It remains difficult to assess fully the impact that the Dodd-Frank Act will have on Morgan Stanley and on the financial services industry generally. In addition, various international developments, such as the adoption of risk-based capital, leverage and liquidity standards by the Basel Committee on Banking Supervision, known as "Basel III", will continue to impact Morgan Stanley in the coming years.

It is likely that 2013 and subsequent years will see further material changes in the way major financial institutions are regulated in both the U.S. and other markets in which Morgan Stanley operates, although it remains difficult to predict the exact impact these changes will have on Morgan Stanley's business, financial condition, results of operations and cash flows for a particular future period.

Financial Holding Company

Morgan Stanley has operated as a bank holding company and financial holding company under the BHC Act since September 2008.

Consolidated Supervision

As a bank holding company, Morgan Stanley is subject to comprehensive consolidated supervision, regulation and examination by the Fed. As a result of the Dodd-Frank Act, the Fed also gained heightened authority to examine, prescribe regulations and take action with respect to all of Morgan Stanley's subsidiaries. In particular, as a result of the Dodd-Frank Act, Morgan Stanley is, or will become, subject to (among other things) significantly revised and expanded regulation and supervision, to more intensive scrutiny of its businesses and plans for expansion of those businesses, to new activities limitations, to a systemic risk regime which will impose heightened capital and liquidity requirements, to new restrictions on activities and investments imposed by a section of the BHC Act added by the Dodd-Frank Act referred to as the "Volcker Rule" and to comprehensive new derivatives regulation. In addition, the Consumer Financial Protection Bureau has primary rulemaking, enforcement and examination authority over Morgan Stanley and its subsidiaries with respect to federal consumer protection laws, to the extent applicable.

Scope of Permitted Activities. The BHC Act provides a two year period from 21 September 2008, the date that Morgan Stanley became a bank holding company, for Morgan Stanley to conform or dispose of certain non-conforming activities as defined by the BHC Act. Three one year extensions may be granted by the Fed upon approval of Morgan Stanley's application for each extension. Morgan Stanley has received the third of these extensions with respect to certain activities relating to its real estate and other funds businesses. Morgan Stanley has also disposed of certain non-conforming assets and conformed certain activities to the requirements of the BHC Act. Morgan Stanley expects to have conformed or sold its remaining non-conforming real estate fund businesses by the 21 September 2013 deadline and does not believe that such conformance or divestiture will have a material adverse impact on its financial condition or operations.

In addition, Morgan Stanley continues to engage in discussions with the Fed regarding its commodities activities, as the BHC Act also grandfathers "activities related to the trading, sale or investment in commodities and underlying physical properties", provided that Morgan Stanley was engaged in "any of such activities as of September 30, 1997 in the United States" and provided that certain other conditions that are within Morgan Stanley's reasonable control are satisfied. If the Fed were to determine that any of Morgan Stanley's commodities activities did not qualify for the BHC Act grandfather exemption, then Morgan Stanley would likely be required to divest any such activities that did not otherwise conform to the BHC Act by the end of any extensions of the grace period. At this time, Morgan Stanley does not believe, based on its interpretation of applicable law, that any such required divestment would have a material adverse impact on its financial condition.

Activities Restrictions under the Volcker Rule. The Volcker Rule will, over time, prohibit "banking entities", including Morgan Stanley and its affiliates, from engaging in "proprietary trading", as defined by the regulators. The Volcker Rule will also require banking entities to either restructure or unwind certain investments and relationships with "hedge funds", "private equity funds" and other "similar funds" as such terms are defined in the Volcker Rule and by the regulators.

The Volcker Rule became effective on 21 July 2012. However, banking entities have until 21 July 2014 to bring all of their activities and investments into conformance with the Volcker Rule, subject to possible extensions. U.S. regulators issued proposed rules to implement the Volcker Rule in 2011 and have not yet issued the final regulations. There remains considerable uncertainty about what the final version of those regulations will be or the impact they may have on Morgan Stanley's businesses. Even after the final rules are issued, there may be continued uncertainty regarding their interpretation and impact on Morgan Stanley's businesses. Morgan Stanley is closely monitoring regulatory developments related to the Volcker Rule, and when the regulations are final, it will complete a review of its relevant activities and make plans to implement compliance with the Volcker Rule.

Morgan Stanley continues to review its private equity fund, hedge fund and trading operations in relation to the Volcker Rule. With respect to the "proprietary trading" prohibition of the Volcker Rule, as of 1 January 2013, Morgan Stanley has divested control of its remaining in-house proprietary quantitative trading unit, Process-Driven Trading ("**PDT**"). For the year ended 31 December 2012, PDT did not have a material impact on Morgan Stanley's financial condition, results of operations and liquidity. Morgan Stanley has also previously exited other standalone proprietary trading businesses (defined as those businesses dedicated solely to investing Morgan Stanley's capital), and Morgan Stanley is continuing to liquidate legacy positions related to those businesses.

Capital and Liquidity Standards. The Fed establishes capital requirements for Morgan Stanley and evaluates its compliance with such capital requirements. The Office of the Comptroller of the Currency (the "**OCC**") establishes similar capital requirements and standards for Morgan Stanley's national bank subsidiaries. Under current capital requirements, for Morgan Stanley to remain a financial holding company, its national bank subsidiaries must qualify as "well capitalized" by maintaining a total capital ratio (total capital to risk-weighted assets) of at least 10% and a Tier 1 capital ratio of at least 6%. To maintain its status as a financial holding company, Morgan Stanley is also required to be "well capitalized" by maintaining these capital ratios. The Fed may require Morgan Stanley and its peer financial holding companies to maintain risk-based and leverage capital ratios substantially in excess of mandated minimum levels, depending upon general economic conditions and their particular condition, risk profile and growth plans. In addition, under the Fed's leverage rules, bank holding companies that have implemented the Fed's risk-based capital measure for market risk, such as Morgan Stanley, are subject to a Tier 1 minimum leverage ratio (Tier 1 capital to average total consolidated assets) of 3%.

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 and Capital Standards," July 1988, as amended, also referred to as "Basel I". In December 2007, the U.S. banking regulators published final regulations incorporating the Basel II Accord, which requires internationally active U.S. banking organizations, as well as certain of their U.S. bank subsidiaries, to implement Basel II standards over the next several years. In July 2010, Morgan Stanley began reporting its capital adequacy standards on a parallel basis to its regulators under Basel I and Basel II as part of a phased implementation of Basel II. On 1 January 2013, the U.S. banking regulators' rules to implement the Basel Committee's market risk capital framework, referred to as "Basel 2.5," became effective.

In December 2010, the Basel Committee reached an agreement on Basel III. In June 2012, the U.S. banking regulators proposed to implement many aspects of Basel III (the "**Basel III proposals**"). The U.S. Basel III proposals contain new capital standards that raise the quality of capital, strengthen counterparty credit risk capital requirements, introduce a leverage ratio as a supplemental measure to the risk-based ratio and replace the use of externally developed credit ratings with alternatives such as internally developed credit ratings. The proposals include a new capital conservation buffer which imposes a common equity Tier I capital requirement above the new minimum that can be depleted under stress, and could result in restrictions on capital distributions and discretionary bonuses under certain circumstances. The proposals also provide for a potential countercyclical buffer which regulators can activate during periods of excessive credit growth in their jurisdiction. Although the U.S. Basel III proposals do not address the Basel Committee's new additional loss absorbency capital requirement for Global Systematically Important Banks ("**G-SIBs**"), such as Morgan Stanley, the U.S. banking regulators indicated that guidance on the implementation of the Basel Committee's G-SIB capital surcharge in the U.S. would be forthcoming. In November 2012, the Financial Stability Board provisionally assigned Morgan Stanley a capital surcharge of 1.5 percent of common equity Tier 1 capital to risk-weighted assets on a scale of 1.0 percent to 2.5 percent. The U.S. Basel III proposals contemplate that the new capital requirements would be phased in over several years, beginning in 2013. In November 2012, the U.S. banking regulators announced that the U.S. Basel III proposals would not become effective on 1 January 2013. The announcement did not specify new implementation or phase in dates for the U.S. Basel III proposals.

In June 2011, the U.S. banking regulators published final regulations implementing a provision of the Dodd-Frank Act requiring that certain institutions supervised by the Fed, including Morgan Stanley, be subject to capital requirements that are not less than the generally applicable risk-based capital requirements. Currently, this minimum "capital floor" is based on Basel I. The U.S. Basel III proposals would replace the current Basel I-based "capital floor" with a standardized approach that, among other things, modifies the existing risk weights for certain type of asset classes.

Capital Planning, Stress Tests and Dividends. Pursuant to the Dodd-Frank Act, the Fed has adopted new capital planning and stress test requirements for large bank holding companies, including Morgan Stanley. Under the Fed's capital plan final rule, bank holding companies with $50 billion or more of consolidated assets, such as Morgan Stanley, must submit an annual capital plan to the Fed, taking into account the results of separate stress tests designed by the bank holding company and the Fed.

The capital plan must include a description of all planned capital actions over a nine-quarter planning horizon, including any issuance of a debt or equity capital instrument, any capital distribution (i.e., payments of dividends or stock repurchases), and any similar action that the Fed determines could impact the bank holding company's consolidated capital. The capital plan must include a discussion of how the bank holding company will maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5%, and serve as a source of strength to its subsidiary U.S. depository institutions under supervisory stress scenarios. The capital plan final rule requires that such companies receive no objection from the Fed before making a capital distribution. In addition, even with an approved capital plan, the bank holding company must seek the approval of the Fed before making a capital distribution if, among other reasons, the bank holding company would not meet its regulatory capital requirements after making the proposed capital distribution. In addition to capital planning requirements, 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. ("**MSBNA**") and Morgan Stanley Private Bank, National Association ("**MS Private Bank**"), 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. All of these policies and other requirements could influence Morgan Stanley's ability to pay dividends, or require it to provide capital assistance to MSBNA or MS Private Bank under circumstances under which Morgan Stanley would not otherwise decide to do so.

In October 2012, the Fed issued its stress test final rule as required by the Dodd-Frank Act that requires Morgan Stanley to conduct semi-annual company-run stress tests. Under this rule, Morgan Stanley is required to publicly disclose the summary results of its company-run stress tests under the severely adverse economic scenario. The rule also subjects Morgan Stanley to an annual supervisory stress test conducted by the Fed.

The Dodd-Frank Act also requires national banks and federal savings associations with total consolidated assets of more than $10 billion to conduct an annual stress test. Beginning in 2013, the implementing regulation requires national banks with more than $50 billion in average total consolidated assets, including MSBNA, to conduct its first stress test. MSBNA submitted its stress test results to the OCC and the Fed in January 2013.

Systemic Risk Regime. The Dodd-Frank Act established a new regulatory framework applicable to financial institutions deemed to pose systemic risks. Bank holding companies with $50 billion or more in consolidated assets, such as Morgan Stanley, became automatically subject to the systemic risk regime in July 2010. A new oversight body, the Financial Stability Oversight Council (the "**Council**"), can recommend prudential standards, reporting and disclosure requirements to the Fed for systemically important financial institutions, and must approve any finding by the Fed that a financial institution poses a grave threat to financial stability and must undertake mitigating actions. The Council is also empowered to designate systemically important payment, clearing and settlement activities of financial institutions, subjecting them to prudential supervision and regulation, and, assisted by the new Office of Financial Research within the U.S. Department of the Treasury ("**U.S. Treasury**") (established by the Dodd-Frank Act), can gather data and reports from financial institutions, including Morgan Stanley.

Pursuant to the Dodd-Frank Act, each bank holding company with $50 billion or more in consolidated assets must also provide to the Fed and FDIC an annual plan for its rapid and orderly resolution in the event of material financial distress. Morgan Stanley submitted its first resolution plan to the Fed and FDIC on 29 June 2012. In addition, Morgan Stanley's principal U.S. bank subsidiary, MSBNA, submitted a resolution plan for its rapid and orderly resolution in the event of material financial distress or failure on 29 June 2012, as required by the FDIC.

In December 2011, the Fed issued proposed rules to implement certain requirements of the Dodd-Frank Act's systemic risk regime. Among other provisions, the proposed rules would require bank holding companies with over $50 billion in assets, such as Morgan Stanley, and any other company designated by the Council, to maintain a sufficient quantity of highly liquid assets to survive a projected 30-day liquidity stress event, to conduct regular liquidity stress tests, and to implement various liquidity risk management requirements. More generally, the proposed rules would require institutions to comply with a range of corporate governance requirements, such as establishment of a risk committee of the board of directors and appointment of a chief risk officer, both of which Morgan Stanley already has.

The proposed rules would also limit the aggregate exposure of each bank holding company with over $500 billion in assets, such as Morgan Stanley, and each company designated by the Council, to each other such institution to 10% of the aggregate capital and surplus of each institution, and limit the aggregate exposure of such institutions to any other bank holding company with $50 billion or more of consolidated assets to 25% of each institution's aggregate capital and surplus. In addition, the proposed rules would create a new early remediation regime to address financial distress or material management weaknesses determined with reference to four levels of early remediation, including heightened supervisory review, initial remediation, recovery, and resolution assessment, with specific limitations and requirements tied to each level.

The systemic risk regime also provides that, for institutions posing a grave threat to U.S. financial stability, the Fed, upon Council vote, must limit that institution's ability to merge, restrict its ability to offer financial products, require it to terminate activities, impose conditions on activities or, as a last resort, require it to dispose of assets. Upon a grave threat determination by the Council, the Fed must issue rules that require financial institutions subject to the systemic risk regime to maintain a debt-to-equity ratio of no more than 15-to-1 if the Council considers it necessary to mitigate the risk. The Fed also has the ability to establish further standards, including those regarding contingent capital, enhanced public disclosures, and limits on short-term debt, including off-balance sheet exposures.

Orderly Liquidation Authority. Under the Dodd-Frank Act, financial companies, including bank holding companies such as Morgan Stanley and certain covered subsidiaries, can be subjected to a new orderly liquidation authority. The U.S. Treasury must first make certain extraordinary financial distress and systemic risk determinations. Absent such U.S. Treasury determinations, Morgan Stanley as a bank holding company would remain subject to the U.S. Bankruptcy Code.

The orderly liquidation authority went into effect in July 2010, and rulemaking to render it fully operative is proceeding in stages, with some implementing regulations now finalised and others planned but not yet proposed. If Morgan Stanley were subjected to the orderly liquidation authority, the FDIC would be appointed receiver, which would give the FDIC considerable rights and powers that it must exercise with the goal of liquidating and winding up Morgan Stanley, including (i) the FDIC's right to assign assets and liabilities and transfer some to a third party or bridge financial company without the need for creditor consent or prior court review; (ii) the ability of the FDIC to differentiate among creditors, including by treating junior creditors better than senior creditors, subject to a minimum recovery right to receive at least what they would have received in bankruptcy liquidation; and (iii) the broad powers given the FDIC to administer the claims process to determine which creditor receives what, and in which order, from assets not transferred to a third party or bridge financial institution.

U.S. Bank Subsidiaries.

U.S. Banking Institutions. MSBNA, primarily a wholesale commercial bank, offers consumer margin lending and commercial lending services in addition to deposit products. Certain foreign exchange activities are also conducted in MSBNA. As an FDIC-insured national bank, MSBNA is subject to supervision, regulation and examination by the OCC.

MS Private Bank offers certain mortgage and other secured lending products primarily for customers of its affiliate retail broker-dealer, Morgan Stanley Smith Barney LLC ("**MSSB LLC**"). MS Private Bank also offers certain deposit products, as well as personal trust and prime brokerage custody services. MS Private Bank is an FDIC-insured national bank whose activities are subject to supervision, regulation and examination by the OCC.

Effective 1 July 2013, the lending limits applicable to Morgan Stanley's U.S. bank subsidiaries will be required to take into account credit exposure from derivative transactions, securities lending, securities borrowing and repurchase and reverse repurchase agreements with counterparties.

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" ("**PCA**") with respect to a depository institution if that institution does not meet certain capital adequacy standards. Current PCA regulations generally apply only to insured banks and thrifts such as MSBNA or MS Private Bank and not to their parent holding companies, such as Morgan Stanley. The Fed is, however, subject to limitations, authorized to take appropriate action at the holding company level. In addition, as described above, under the systemic risk regime, Morgan Stanley will become subject to an early remediation protocol in the event of financial distress. The Dodd-Frank Act also formalized the requirement that bank holding companies, such as Morgan Stanley, serve as a source of strength to their U.S. bank subsidiaries in the event such subsidiaries are in financial distress.

Transactions with Affiliates. Morgan Stanley's U.S. bank subsidiaries are subject to Sections 23A and 23B of the Federal Reserve Act, which impose restrictions on any extensions of credit to, purchase of assets from, and certain other transactions with, any affiliates. These restrictions limit 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. Effective July 2012, derivatives, securities borrowing and securities lending transactions between Morgan Stanley's U.S. bank subsidiaries and their affiliates became subject to these restrictions. The Fed has indicated that it will propose rulemaking to implement these restrictions. These reforms will place limits on Morgan Stanley's U.S. banking subsidiaries' ability to engage in derivatives, repurchase agreements and securities lending transactions with other affiliates of Morgan Stanley.

In addition, the Volcker Rule imposes similar restrictions on transactions between Morgan Stanley or any of its affiliates and hedge funds, private equity funds or similar funds for which the banking entity serves as the investment manager, investment adviser or sponsor.

FDIC Regulation. An 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 an insured depository institution under common control by the same bank holding company. As FDIC-insured depository institutions, MSBNA and MS Private Bank are exposed to each other's losses. In addition, both institutions are exposed to changes in the cost of FDIC insurance. In 2010, the FDIC adopted a restoration plan to replenish the reserve fund over a multi-year period. Under the Dodd-Frank Act, some of the restoration must be paid for exclusively by large depository institutions, including MSBNA, and assessments are calculated using a new methodology that generally favours banks that are mostly funded by deposits.

Institutional Securities and Global Wealth Management Group.

Broker-Dealer Regulation. Morgan Stanley's primary U.S. broker-dealer subsidiaries, Morgan Stanley & Co. and MSSB LLC, are registered broker-dealers with the SEC and in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, and are members of various self-regulatory organizations, including the Financial Industry Regulatory Authority, Inc. ("**FINRA**"), and various securities exchanges and clearing organizations. In addition, Morgan Stanley & Co. and MSSB LLC are registered investment advisors with the SEC. Broker-dealers are subject to laws and regulations covering all aspects of the securities business, including sales and trading practices, securities offerings, publication of research reports, use of customers' funds and securities, capital structure, recordkeeping and retention, and the conduct of their directors, officers, representatives and other associated persons. Broker-dealers are also regulated by securities administrators in those states where they do business. Violations of the laws and regulations governing a broker-dealer's actions could result in censures, fines, the issuance of cease-and-desist orders, revocation of licenses or registrations, the suspension or expulsion from the securities industry of such broker-dealer or its officers or employees, or other similar consequences by both federal and state securities administrators.

The Dodd-Frank Act includes various provisions that affect the regulation of broker-dealer sales practices and customer relationships. For example, the SEC is authorised to adopt a fiduciary duty applicable to broker-dealers when providing personalised investment advice about securities to retail customers. The Dodd-Frank Act also created a new category of regulation for "municipal advisors", which are subject to a fiduciary duty with respect to certain activities. The U.S. Department of Labor is considering revisions to regulations under the Employee Retirement Income Security Act of 1974 that could subject broker-dealers to a fiduciary duty and prohibit specified transactions for a wider range of customer interactions. If the SEC exercises authority provided to it under the Dodd-Frank Act to prohibit or limit the use of mandatory pre-distribution arbitration agreements between a broker-dealer and its customers, it may materially increase Morgan Stanley's litigation costs. These developments may impact the manner in which affected businesses are conducted, decrease profitability and increase potential liabilities.

Margin lending by broker-dealers is regulated by the Fed's restrictions on lending in connection with customer and proprietary purchases and short sales of securities, as well as securities borrowing and lending activities. Broker-dealers are also subject to maintenance and other margin requirements imposed under FINRA and other self-regulatory organization rules. In many cases, Morgan Stanley's broker-dealer subsidiaries' margin policies are more stringent than these rules.

As registered U.S. broker-dealers, certain subsidiaries of Morgan Stanley are subject to the SEC's net capital rule and the net capital requirements of various exchanges, other regulatory authorities and self-regulatory organizations. Many non-U.S. regulatory authorities and exchanges also have rules relating to capital and, in some cases, liquidity requirements that apply to Morgan Stanley's non-U.S. broker-dealer subsidiaries. These rules are generally designed to measure general financial integrity and/or liquidity and require that at least a minimum amount of net and/or more liquid assets be maintained by the subsidiary. Rules of FINRA and other self-regulatory organizations also impose limitations and requirements on the transfer of member organisations' assets.

Compliance with regulatory capital requirements may limit Morgan Stanley's operations requiring the intensive use of capital. Such requirements restrict Morgan Stanley's ability to withdraw capital from its broker-dealer subsidiaries, which in turn may limit its 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. In addition, such rules may require Morgan Stanley to make substantial capital infusions into one or more of its broker-dealer subsidiaries in order for such subsidiaries to comply with such rules.

Morgan Stanley & Co. and MSSB LLC are members of the Securities Investor Protection Corporation ("**SIPC**"), which provides protection for customers of broker-dealers against losses in the event of the insolvency of a broker-dealer. SIPC protects customers' eligible securities held by a member broker-dealer up to $500,000 per customer for all accounts in the same capacity subject to a limitation of $250,000 for claims for uninvested cash balances. To supplement this SIPC coverage, each of Morgan Stanley & Co. and MSSB LLC have purchased additional protection for the benefit of their customers in the form of an annual policy issued by certain underwriters and various insurance companies that provides protection for each eligible customer above SIPC limits subject to an aggregate firmwide cap of $1 billion with no per client sublimit for securities and a $1.9 million per client limit for the cash portion of any remaining shortfall. As noted under "Financial Holding Company - Systemic Risk Regime" above, the Dodd-Frank Act contains special provisions for the orderly liquidation of covered financial institutions (which could potentially include Morgan Stanley & Co. and/or MSSB LLC). While these provisions are generally intended to provide customers of covered broker-dealers with protections at least as beneficial as they would enjoy in a broker-dealer liquidation proceeding under the Securities Investor Protection Act, the details and implementation of such protections are subject to further rulemaking.

Over the past few years the SEC has undertaken a review of a wide range of equity market structure issues. As a part of this review, the SEC has adopted new regulations and proposed various rules regarding market transparency and stability. A new short sale uptick rule that limits the ability to sell short securities that have experienced specified price declines is now in effect. The SEC also adopted rules requiring broker-dealers to maintain risk management controls and supervisory procedures with respect to providing access to securities markets, which became fully effective in 2012. In July 2012, the SEC adopted a consolidated audit trail rule, which, when fully implemented, will require large broker-dealers to report into one consolidated audit trail comprehensive information about every material event in the lifecycle of every quote, order, and execution in all exchange-listed stocks and options. It is possible that the SEC or self-regulatory organizations could propose or adopt additional market structure rules in the future.

The provisions, new rules and proposals discussed above could result in increased costs and could otherwise adversely affect trading volumes and other conditions in the markets in which Morgan Stanley operates.

Regulation of Futures Activities and Certain Commodities Activities. As futures commission merchants, Morgan Stanley & Co. and MSSB LLC are subject to net capital requirements of, and their activities are regulated by, the U.S. Commodity Futures Trading Commission (the "**CFTC**") and various commodity futures exchanges. Morgan Stanley's futures and options-on-futures also are regulated by the National Futures Association ("**NFA**"), a registered futures association, of which Morgan Stanley & Co. and MSSB LLC and certain of their affiliates are members. These regulatory requirements address obligations related to, among other things, the segregation of customer funds and the holding apart of a secured amount, the use of customer funds, recordkeeping and reporting obligations, risk disclosure and discretionary trading. Morgan Stanley & Co. and MSSB LLC have affiliates that are registered as commodity trading advisors and/or commodity pool operators, or are operating under certain exemptions from such registration pursuant to CFTC rules and other guidance. Under CFTC and NFA rules, commodity trading advisors who manage accounts and are registered with the NFA must distribute disclosure documents and maintain specified records relating to their activities, and clients and commodity pool operators have certain responsibilities with respect to each pool they operate. Violations of the rules of the CFTC, the NFA or the commodity exchanges could result in remedial actions, including fines, registration restrictions or terminations, trading prohibitions or revocations of commodity exchange memberships.

Morgan Stanley's commodities activities are subject to extensive and evolving energy, commodities, environmental, health and safety and other governmental laws and regulations in the U.S. and abroad. Intensified scrutiny of certain energy markets by U.S. federal, state and local authorities in the U.S. and abroad and by the public has resulted in increased regulatory and legal enforcement and remedial proceedings involving energy companies, including those engaged in power generation and liquid hydrocarbons trading. Terminal facilities and other assets relating to Morgan Stanley's commodities activities also are subject to environmental laws both in the U.S. and abroad. In addition, pipeline, transport and terminal operations are subject to state laws in connection with the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by Morgan Stanley or locations to which Morgan Stanley had sent wastes for disposal.

Derivatives Regulation. Through the Dodd-Frank Act, Morgan Stanley will face a comprehensive U.S. regulatory regime for its activities in certain OTC derivatives. The regulation of "swaps" and "security-based swaps" (collectively, "**Swaps**") in the U.S. will be effected and implemented through the CFTC, SEC and other agency regulations, which are currently being adopted.

The Dodd-Frank Act requires central clearing of certain types of Swaps, public and regulatory reporting and mandatory trading on regulated exchanges or execution facilities. These requirements are subject to some exceptions and will be phased in over time, with the first clearing requirements having come into effect for certain swaps with certain counterparties in March 2013. When fully implemented, market participants, including Morgan Stanley's entities engaging in Swaps, will have to centrally clear, report and trade on an exchange or execution facility certain Swap transactions that are currently uncleared, not reported publicly and executed bilaterally.

The Dodd-Frank Act also requires the registration of "swap dealers" and "major swap participants" with the CFTC and "security-based swap dealers" and "major security-based swap participants" with the SEC (collectively, "**Swaps Entities**"). Certain of Morgan Stanley's subsidiaries have registered with the CFTC as swap dealers and in the future additional subsidiaries may register with the CFTC as swap dealers. Certain subsidiaries of Morgan Stanley will in the future be required to register with the SEC as security-based swap dealers.

Swaps Entities are subject to a comprehensive regulatory regime with new obligations for the Swaps activities for which they are registered, including new capital requirements, a new margin regime for uncleared Swaps and a new segregation regime for collateral of counterparties to uncleared Swaps. Swaps Entities are subject to additional duties, including, among others, internal and external business conduct and documentation standards with respect to their Swaps counterparties, recordkeeping and reporting. Certain subsidiaries of Morgan Stanley will be or are subject to new rules under the Dodd-Frank Act regarding segregation of customer collateral for cleared transactions, large trader reporting regimes, compensation requirements and anti-fraud and antimanipulation requirements related to activities in Swaps.

The specific parameters of these requirements for Swaps are being developed through CFTC, SEC and bank regulator rulemakings. While some of these requirements are already final and effective, others are subject to further rulemaking or deferred compliance dates. In particular, the CFTC, SEC and the banking regulators have proposed, but not yet adopted, rules regarding margin and capital requirements for Swaps Entities. Furthermore, in July 2012 and again in February 2013, the Basel Committee and the International Organization of Securities Commissions released a consultative document proposing margin requirements for non-centrally-cleared derivatives. The full impact of these proposals on Morgan Stanley will not be known with certainty until the rules are finalised.

Although the full impact of U.S. derivatives regulation on Morgan Stanley remains unclear, Morgan Stanley will face increased costs and regulatory oversight due to the registration and regulatory requirements indicated above. Complying with the Swaps rules also has required, and will in the future require, Morgan Stanley to restructure its Swaps businesses, and has required, and will in the future require, extensive systems and personnel changes, and raise additional potential liabilities. Compliance with Swap-related partially finalised regulatory capital requirements may require Morgan Stanley to devote more capital to its Swaps business. The extraterritorial impact of the rules also remains unclear.

The E.U. and other non-U.S. jurisdictions are in the process of adopting and implementing legislation emanating from the G20 commitments that will require, among other things, the central clearing of certain OTC derivatives, mandatory reporting of derivatives and bilateral risk mitigation procedures for non-cleared trades. It is unclear at present how the non-U.S. and U.S. derivatives regulatory regimes will interact.

Non-U.S. Regulation. Morgan Stanley's institutional securities businesses also are regulated extensively by non-U.S. regulators, including governments, securities exchanges, commodity exchanges, self-regulatory organizations, central banks and regulatory bodies, especially in those jurisdictions in which Morgan Stanley maintains an office. Non-U.S. policy makers and regulators, including the European Commission and European Supervisory Authorities, continue to propose and adopt numerous market reforms, including those that may further impact the structure of banks, and formulate regulatory standards and measures that will be of relevance and importance to Morgan Stanley's European operations. Certain Morgan Stanley subsidiaries are regulated as broker-dealers under the laws of the jurisdictions in which they operate. Subsidiaries engaged in banking and trust activities outside the U.S. are regulated by various government agencies in the particular jurisdiction where they are chartered, incorporated and/or conduct their business activity. For instance, the United Kingdom

("**U.K.**") Financial Services Authority ("**FSA**"), which was replaced by the Prudential Regulatory Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**") on 1 April 2013, and several U.K. securities and futures exchanges, including the London Stock Exchange and Euronext.liffe, regulate Morgan Stanley's activities in the U.K.; the Bundesanstalt für Finanzdienstleistungsaufsicht (the Federal Financial Supervisory Authority) and the Deutsche Börse AG regulate its activities in the Federal Republic of Germany; Eidgenössische Finanzmarktaufsicht (the Financial Market Supervisory Authority) regulates its activities in Switzerland; the Financial Services Agency, the Bank of Japan, the Japanese Securities Dealers Association and several Japanese securities and futures exchanges, including the Tokyo Stock Exchange, the Osaka Securities Exchange and the Tokyo International Financial Futures Exchange, regulate its activities in Japan; the Hong Kong Securities and Futures Commission, the Hong Kong Monetary Authority and the Hong Kong Exchanges and Clearing Limited regulate its operations in Hong Kong; and the Monetary Authority of Singapore and the Singapore Exchange Limited regulate its business in Singapore.

Asset Management.

Many of the subsidiaries engaged in Morgan Stanley's asset management activities are registered as investment advisers with the SEC. Many aspects of Morgan Stanley's asset management activities are subject to federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict Morgan Stanley from carrying on its asset management activities in the event that it fails to comply with such laws and regulations. Sanctions that may be imposed for such failure include the suspension of individual employees, limitations on Morgan Stanley engaging in various asset management activities for specified periods of time or specified types of clients, the revocation of registrations, other censures and significant fines. In order to facilitate its asset management business, Morgan Stanley owns a registered U.S. broker-dealer, Morgan Stanley Distribution, Inc., which acts as distributor to the Morgan Stanley mutual funds and as placement agent to certain private investment funds managed by Morgan Stanley's asset management business segment.

As a result of the passage of the Dodd-Frank Act, Morgan Stanley's asset management activities will be subject to certain additional laws and regulations, including, but not limited to, additional reporting and recordkeeping requirements (including with respect to clients that are private funds), restrictions on sponsoring or investing in, or maintaining certain other relationships with, hedge funds and private equity funds under the Volcker Rule (subject to certain limited exceptions) and certain rules and regulations regarding trading activities, including trading in derivatives markets. Many of these new requirements may increase the expenses associated with Morgan Stanley's asset management activities and/or reduce the investment returns Morgan Stanley is able to generate for its asset management clients. Many important elements of the Dodd-Frank Act will not be known until rulemaking is finalized and certain final regulations are adopted.

Morgan Stanley's Asset Management business is also regulated outside the U.S. For example, the PRA and FCA regulate Morgan Stanley's business in the U.K.; the Financial Services Agency regulates Morgan Stanley's business in Japan; the Securities and Exchange Board of India regulates Morgan Stanley's business in India; and the Monetary Authority of Singapore regulates Morgan Stanley's business in Singapore. European and local regulators are proposing additional obligations on the management and marketing of funds in the E.U.

Anti-Money Laundering and Economic Sanctions.

Morgan Stanley's Anti-Money Laundering ("**AML**") program is coordinated on an enterprise-wide basis. In the U.S., for example, the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, imposes significant obligations on financial institutions to detect and deter money laundering and terrorist financing activity, including requiring banks, bank holding company subsidiaries, broker-dealers, futures commission merchants, and mutual funds to implement AML programs, verify the identity of customers that maintain accounts, and monitor and report suspicious activity to appropriate law enforcement or regulatory authorities. Outside the U.S., applicable laws, rules and regulations similarly require designated types of financial institutions to implement AML programs. Morgan Stanley has implemented policies, procedures and internal controls that are designed to comply with all applicable AML laws and regulations. Morgan Stanley has also implemented policies, procedures, and internal controls that are designed to comply with the regulations and economic sanctions programs administered by the U.S. Treasury's OFAC, which enforces economic and trade sanctions against targeted foreign countries, entities and individuals based on external threats to the U.S. foreign policy, national security, or economy, by other governments, or by global or regional multilateral organizations, such as the United Nations Security Council and the E.U. as applicable.

Anti-Corruption.

Morgan Stanley is subject to applicable anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, in the jurisdictions in which it operates. Anti-corruption laws generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a government official or private party in order to influence official action or otherwise gain an unfair business advantage, such as to obtain or retain business. Morgan Stanley has implemented policies, procedures and internal controls that are designed to comply with such laws, rules, and regulations.

Protection of Client Information.

Many aspects of Morgan Stanley's business are subject to legal requirements concerning the use and protection of certain customer information, including those adopted pursuant to the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act of 2003 in the U.S., the E.U. Data Protection Directive and various laws in Asia, including the Japanese Personal Information (Protection) Law, the Hong Kong Personal Data (Protection) Ordinance and the Australian Privacy Act. Morgan Stanley has adopted measures designed to comply with these and related applicable requirements in all relevant jurisdictions.

Research.

Both U.S. and non-U.S. regulators continue to focus on research conflicts of interest. Research-related regulations have been implemented in many jurisdictions. New and revised requirements resulting from these regulations and the global research settlement with U.S. federal and state regulators (to which Morgan Stanley is a party) have necessitated the development or enhancement of corresponding policies and procedures.

Compensation Practices and Other Regulation.

Morgan Stanley's compensation practices are subject to oversight by the Fed. In particular, Morgan Stanley is subject to the Fed's guidance that is designed to help ensure that incentive compensation paid by banking organisations does not encourage imprudent risk-taking that threatens the organisations' safety and soundness. The scope and content of Fed's policies on executive compensation are continuing to develop and may change based on findings from its peer review process, and Morgan Stanley expects that these policies will evolve over a number of years.

Morgan Stanley is subject to the compensation-related provisions of the Dodd-Frank Act, which may impact its compensation practices. Pursuant to the Dodd-Frank Act, among other things, federal regulators, including the Fed, must prescribe regulations to require covered financial institutions, including Morgan Stanley, to report the structures of all of their incentive-based compensation arrangements and prohibit incentive-based payment arrangements that encourage inappropriate risks by providing employees, directors or principal shareholders with compensation that is excessive or that could lead to material financial loss to the covered financial institution. In April 2011, seven federal agencies, including the Fed, jointly proposed an interagency rule implementing this requirement. The rule has not yet been finalised. Further, pursuant to the Dodd-Frank Act, the SEC must direct listing exchanges to require companies to implement policies relating to disclosure of incentive-based compensation that is based on publicly reported financial information and the clawback of such compensation from current or former executive officers following certain accounting restatements.

In addition to the guidelines issued by the Fed and referenced above, Morgan Stanley's compensation practices may also be impacted by other regulations promulgated in accordance with the Financial Stability Board compensation principles and standards. These standards are to be implemented by local regulators, including in the U.K., where the remuneration of employees of certain banks is governed by the Remuneration Code.

2. OVERVIEW OF ACTIVITIES

Principal Activities

Morgan Stanley, a financial holding company, 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 variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. A summary of each of Morgan Stanley's business segments is as follows:

Institutional Securities provides financial advisory and capital-raising 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; and investment activities.

Global Wealth Management Group, which includes Wealth Management Joint Venture, provides brokerage and investment advisory services to individual investors and small-to-medium sized businesses and institutions 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 and engages in fixed income principal trading, which primarily facilitates clients' trading or investments in such securities.

Asset Management provides a broad array of investment strategies that span the risk/return spectrum across geographies, asset classes and public and private markets to a diverse group of clients across the institutional and intermediary channels as well as high net worth clients.

Discontinued Operations

2012

Quilter. On 2 April 2012, Morgan Stanley completed the sale of Quilter & Co. Ltd. ("**Quilter**"), its retail wealth management business in the U.K. The results of Quilter are reported as discontinued operations within the Global Wealth Management Group business segment for all periods presented through the date of sale.

Saxon. On 24 October 2011, Morgan Stanley announced that it had reached an agreement to sell Saxon, a provider of servicing and subservicing of residential mortgage loans, to Ocwen Financial Corporation. The transaction, which was restructured as a sale of Saxon's assets, during the first quarter of 2012 was substantially completed in the second quarter of 2012. Discontinued operations in 2012 include a provision of approximately $115 million related to a settlement with the Board of Governors of the Federal Reserve System concerning the independent foreclosure review related to Saxon. The results of Saxon are reported as discontinued operations within the Institutional Securities business segment for all periods presented.

2011

In the fourth quarter of 2011, Morgan Stanley classified a real estate property management company as held for sale within the Asset Management business segment. The transaction closed during the first quarter of 2012. The results of this company are reported as discontinued operations within the Asset Management business segment for all periods presented through the date of sale.

2010

Retail Asset Management Business. On 1 June 2010, Morgan Stanley completed the sale of substantially all of its retail asset management business ("**Retail Asset Management**"), including Van Kampen Investments, Inc., to

Invesco Ltd. ("**Invesco**"). Morgan Stanley received $800 million in cash and approximately 30.9 million shares of Invesco stock upon the sale, resulting in a cumulative after-tax gain of $718 million, of which $8 million, $28 million and $570 million was recorded in 2012, 2011 and 2010, respectively. The remaining gain, representing tax basis benefits, was recorded in the quarter ended 31 December 2009. The results of Retail Asset Management are reported as discontinued operations within the Asset Management business segment for all periods presented through the date of sale. Morgan Stanley recorded the 30.9 million shares as securities available for sale and subsequently sold the shares in the fourth quarter of 2010, resulting in a realized pre-tax gain of approximately $102 million reported within Other revenues in the consolidated statement of income for 2010.

Revel Entertainment Group, LLC. On 17 February 2011, Morgan Stanley completed the sale of Revel Entertainment Group, LLC ("**Revel**"), a development stage enterprise and subsidiary of Morgan Stanley that was primarily associated with a development property in Atlantic City, New Jersey. The sale price approximated the carrying value of Revel and, accordingly, Morgan Stanley did not recognize any pre-tax gain or loss in 2011 on the sale. The results of Revel are reported as discontinued operations within the Institutional Securities business segment for all periods presented through the date of sale. Amounts for 2010 included losses of $1.2 billion in connection with such disposition.

CityMortgage Bank. In the third quarter of 2010, Morgan Stanley completed the disposal of CityMortgage Bank ("**CMB**"), a Moscow-based mortgage bank. The results of CMB are reported as discontinued operations within the Institutional Securities business segment for all periods presented through the date of sale.

Discover. On 30 June 2007, Morgan Stanley completed the spin-off of its business segment Discover Financial Services ("**DFS**") to its shareholders. On 11 February 2010, DFS paid Morgan Stanley $775 million in complete satisfaction of its obligations to Morgan Stanley regarding the sharing of proceeds from a lawsuit against Visa and MasterCard. The payment was recorded as a gain in discontinued operations for 2010.

Other. In the third quarter of 2010, Morgan Stanley completed the disposal of a real estate property within the Asset Management business segment. The results related to this property are reported as discontinued operations for all periods presented through the date of sale.

3. ORGANIZATIONAL STRUCTURE

Principal Markets

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley is a financial holding company regulated by the Board of Governors of the Fed under the BHC Act. Morgan Stanley conducts its business from its headquarters in and around 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 centers. At 31 December 2012, Morgan Stanley had 57,061 employees worldwide.

Morgan Stanley's significant regulated U.S. and international subsidiaries include Morgan Stanley & Co. LLC, Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. International plc, Morgan Stanley MUFG Securities, Co., Ltd., MSBNA and Morgan Stanley Private Bank, National Association.

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.sec.gov/Archives/edgar/data/895421/000119312513077191/d484822dex21.htm.

4. 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.

Morgan Stanley's significant regulated U.S. and international subsidiaries include Morgan Stanley & Co. LLC, Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. International plc, Morgan Stanley MUFG Securities, Co., Ltd., MSBNA and Morgan Stanley Private Bank, National Association.

Name	Function within Morgan Stanley	Principal Outside Activity
James P. Gorman	Chairman of the Board and Chief Executive Officer.	None.
Erskine B. Bowles	Director	Member of the board of directors of Belk Inc., Facebook, Inc. and Norfolk Southern Corporation. Senior advisor of BDT Capital Partners LLC and Carousel Capital, private investment firms, and President Emeritus of University of North Carolina.
Howard J. Davies	Director	Member of the board of Prudential plc., Non-executive Chairman of Phoenix Group Holdings and Professor at Sciences Po, the Paris School of International Affairs. External adviser to the Government Investment Corporation of Singapore and Chairman of the International Advisory Board of the China Securities Regulatory Commission and a member of the International Advisory Board of the China Banking Regulatory Commission.
Thomas H. Glocer	Director	Member of the board of directors of Merck & Co., Inc.
Robert H. Herz	Director	President of Robert H. Herz LLC and member of the board of directors of the Federal National Mortgage Association (Fannie Mae). Serves on the Accounting Standards Oversight Council of Canada and as a member of the Standing Advisory Group of the Public Company Accounting Oversight Board.

Name	Function within Morgan Stanley	Principal Outside Activity
C. Robert Kidder	Director	Member of the board of directors of Merck & Co., Inc.
Klaus Kleinfeld	Director	Chairman and CEO of Alcoa Inc. and member of Supervisory Board of Bayer AG. Member of the Brookings Institution Board of Trustees and Chairman of the U.S.-Russia Business Council.
Donald T. Nicolaisen	Director	Member of the board of directors of MGIC Investment Corporation, Verizon Communications Inc. and Zurich Insurance Group.
Hutham S. Olayan	Director	Principal and director of The Olayan Group, a private multinational enterprise, President and Chief Executive Officer of The Olayan Group's U.S. operations. Member of the International Advisory Board of the Blackstone Group.
James W. Owens	Director	Member of the board of directors of Alcoa Inc. and International Business Machines Corporation.
O. Griffith Sexton	Director	Director of Investor AB and Adjunct Professor at Columbia Business School.
Ryosuke Tamakoshi	Director	Senior Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Masaaki Tanaka	Director	Representative Director and Deputy President of Mitsubishi UFJ Financial Group, Inc.
Laura D. Tyson	Director	S.K. and Angela Chan Professor of Global Management, Walter A. Haas School of Business, University of California at Berkeley. Member of the board of directors of AT&T Inc., CBRE Group, Inc. and Silver Spring Networks, Inc.

There are no potential conflicts of interests between any duties to Morgan Stanley of its directors and their private interests and/or other duties.

Morgan Stanley's subsidiaries may extend credit in the ordinary course of business to certain of their directors, officers and members of their immediate families. These extensions of credit may be 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 are 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 and do not involve more than the normal risk of collectability or present other unfavourable features.

Dealings with Major Shareholders

Each of China Investment Corporation ("**CIC**"), MUFG and State Street Corporation ("**State Street**") beneficially owns 5% or more of the outstanding shares of Morgan Stanley common stock as reported under the section "Principal Shareholders" herein. During 2012, Morgan Stanley engaged in transactions in the ordinary course of business with each of CIC, MUFG and State Street and certain of their respective affiliates, including investment banking, financial advisory, sales and trading, derivatives, investment management, lending, securitization and other financial services transactions. Such transactions were on substantially the same terms as those prevailing at the time for comparable transactions with unrelated third parties.

As part of the global strategic alliance between MUFG and Morgan Stanley, on 1 May 2010, Morgan Stanley and MUFG formed a joint venture in Japan of their respective investment banking and securities businesses by forming two joint venture companies. MUFG contributed the investment banking, wholesale and retail securities businesses conducted in Japan by Mitsubishi UFJ Securities Co., Ltd. into one of the joint venture entities named Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("**MUMSS**"). Morgan Stanley contributed the investment banking operations conducted in Japan by its subsidiary, Morgan Stanley MUFG Securities Co., Ltd. ("**MSMS**"), formerly known as Morgan Stanley Japan Securities Co., Ltd., into MUMSS (together with MUMSS, the "**Joint Venture**"). MSMS has continued its sales and trading and capital markets business conducted in Japan. Morgan Stanley owns a 40% economic interest in the Joint Venture and MUFG owns a 60% economic interest in the Joint Venture. Morgan Stanley holds a 40% voting interest and MUFG holds a 60% voting interest in MUMSS while Morgan Stanley holds a 51% voting interest and MUFG holds a 49% voting interest in MSMS. Other initiatives that are part of Morgan Stanley's global strategic alliance with MUFG include a loan marketing joint venture in the Americas, business referral arrangements in Asia, Europe, the Middle East and Africa, referral agreements for commodities transactions and a secondment arrangement of personnel between MUFG and Morgan Stanley for the purpose of sharing best practices and expertise.

Morgan Stanley formerly held common and preferred equity interests in FrontPoint (representing not more than a 24.9% equity interest), where the son-in-law of Mr. Roy J. Bostock (a former member of the Board of Directors of Morgan Stanley) is Co-Chief Executive Officer and a significant equity owner. In January 2012, Morgan Stanley restructured its relationship with FrontPoint by exchanging all its equity interest in FrontPoint (which is now 100% owned by FrontPoint management, including Mr. Bostock's son-in-law) for revenue shares in remaining funds and a share of any future FrontPoint asset sale proceeds. Morgan Stanley continued not to control FrontPoint after the restructuring.

5. 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 Board's standing committees include the following:

Committee	**Current Members**	**Primary Responsibilities**
Audit	Donald T. Nicolaisen (Chair)	Oversees the integrity of Morgan Stanley's

Committee	Current Members	Primary Responsibilities
	Howard J. Davies Robert H. Herz O. Griffith Sexton	consolidated financial statements, compliance with legal and regulatory requirements and system of internal controls. Oversees risk management and risk assessment guidelines in coordination with the Board, Risk Committee and Operations and Technology Committee and reviews the major franchise, reputational, legal and compliance risk exposures of Morgan Stanley. Selects, determines the compensation of, evaluates and, when appropriate, replaces the independent auditor, and pre-approves audit and permitted non-audit services. Oversees the qualifications and independence of the independent auditor and performance of Morgan Stanley's internal auditor and independent auditor. After review, recommends to the Board the acceptance and inclusion of the annual audited consolidated financial statements in Morgan Stanley's Annual Report on Form 10-K.
Compensation, Management Development and Succession ("**CMDS**")	Erskine B. Bowles (Chair) C. Robert Kidder Donald T. Nicolaisen Hutham S. Olayan	Annually reviews and approves the corporate goals and objectives relevant to the compensation of the Chief Executive Officer and evaluates his performance in light of these goals and objectives. Determines the compensation of Morgan Stanley's executive officers and other officers and employees as appropriate. Administers Morgan Stanley's equity-based compensation plans. Oversees plans for management development and succession. Reviews and discusses the Compensation Discussion and Analysis with management and recommends to the Board its inclusion in the proxy statement. Reviews Morgan Stanley's incentive compensation arrangements to help ensure

Committee	Current Members	Primary Responsibilities
		that such arrangements are consistent with the safety and soundness of Morgan Stanley and do not encourage excessive risk-taking, and are otherwise consistent with applicable related regulatory rules and guidance.
Nominating and Governance	James W. Owens (Chair)	Identifies and recommends candidates for election to the Board.
	C. Robert Kidder	Recommends committee structure and membership.
	Klaus Klienfield	Reviews annually Morgan Stanley's corporate governance policies.
		Oversees the annual evaluation of the Lead Director, Board and its committees.
		Reviews and approves related person transactions in accordance with Morgan Stanley's Related Person Transactions Policy.
Operations and Technology Committee	Donald T. Nicolaisen (Chair)	Oversees Morgan Stanley's operations and technology strategy and significant investments in support of such strategy.
	Howard J. Davies O. Griffith Sexton Ryosuke Tamakoshi	Oversees risk management and risk assessment guidelines and policies regarding operational risk.
Risk	Howard J. Davies (Chair)	Oversees Morgan Stanley's risk governance structure.
	James W. Owens Masaaki Tanaka Laura D. Tyson	Oversees risk management and risk assessment guidelines and policies regarding market, credit, liquidity and funding risk.
		Oversees risk tolerance, including risk tolerance levels and capital targets and limits.
		Oversees Morgan Stanley's capital, liquidity and funding.
		Oversees the performance of the Chief Risk Officer.

6. PRINCIPAL SHAREHOLDERS

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

	Shares of Common Stock Beneficially Owned	
Name and Address	**Number**	**Percent**[1]
China Investment Corporation (CIC) [2] New Poly Plaza, No. 1 Chaoyangmen Beidajie Dongcheng District, Beijing 100010, People's Republic of China	125,114,454	6.4%
Mitsubishi UFJ Financial Group, Inc. [3] 7-1, Marunouchi 2-chome Chiyoda-ku, Tokyo 100-8330, Japan	435,452,411	22.2%
State Street Corporation (State Street) [4] 225 Franklin Street, Boston, MA 02110	178,923,583	9.1%

(1) Percentages based upon the number of shares of common stock outstanding as of the record date, 18 March 2013, and the beneficial ownership of the principal shareholders as reported in SEC filings in notes 2 to 4 below.

(2) Based on the Schedule 13G filed on 6 February 2013 (as of 31 December 2012) by CIC and Harvest Investment Corporation. The Schedule 13G discloses that CIC had shared dispositive and shared voting power with respect to all beneficially owned shares reported.

(3) Based on the amended Schedule 13D filed on July 1, 2011 by MUFG. The amended Schedule 13D discloses that MUFG had sole dispositive and sole voting power with respect to the beneficially owned shares reported, including 3,435,259 shares held solely in a fiduciary capacity by certain affiliates of MUFG as the trustee of trust accounts or the manager of investment funds, other investment vehicles and managed accounts as of 31 May 2011 for which MUFG disclaims ownership.

(4) Based on the Schedule 13G filed on 12 February 2013 (as of 31 December 2012) by State Street and State Street Bank and Trust Company, each acting in various fiduciary and other capacities. The Schedule 13G discloses that State Street had shared dispositive power as to 178,923,589 shares and shared voting power as to 178,350,345 shares; that 121,031,132 shares beneficially owned by State Street Bank and Trust Company, a subsidiary of State Street, are held as trustee and investment manager on behalf of the Trust that holds shares of common stock underlying certain restricted stock units awarded to employees under various Morgan Stanley's equity-based plans and an additional 25,826,687 shares are beneficially owned by State Street Bank and Trust Company and held in various capacities; and all shares reported are beneficially owned by State Street and its direct or indirect subsidiaries in their various fiduciary and other capacities, and, accordingly, another entity in every instance is entitled to dividends or proceeds of sale.

7. LEGAL PROCEEDINGS AND CONTINGENCIES

(a) *Legal Proceedings*

In addition to the 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 entities 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, and involving, among other matters, accounting and operational 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. Where available information indicates that it is probable a liability had been incurred at the date of the consolidated financial statements and Morgan Stanley can reasonably estimate the amount of that loss, Morgan Stanley accrues the estimated loss by a charge to income.

In many proceedings, however, it is inherently difficult to determine whether any loss is probable or even possible or to estimate the amount of any loss. Morgan Stanley cannot predict with certainty if, how or when such proceedings will be resolved or what the eventual settlement, fine, penalty or other relief, if any, may be, particularly for proceedings that are in their early stages of development or where plaintiffs seek substantial or indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, determination of issues related to class certification and the calculation of damages and by addressing novel or unsettled legal questions relevant to the proceedings in question, before a loss or additional loss or range of loss or additional loss can be reasonably estimated for any proceeding. Subject to the foregoing, Morgan Stanley believes, based on current knowledge and after consultation with counsel, that the outcome of such proceedings will not have a material adverse effect on the consolidated financial condition of Morgan Stanley, although the outcome of such proceedings could be material to Morgan Stanley's operating results and cash flows for a particular period depending on, among other things, the level of Morgan Stanley's revenues or income for such period.

Over the last several years, the level of litigation and investigatory activity focused on residential mortgage and credit crisis related matters has increased materially in the financial services industry. As a result, Morgan Stanley expects that it may become the subject of increased claims for damages and other relief regarding residential mortgages and related securities in the future and, while Morgan Stanley has identified below certain proceedings that Morgan Stanley believes to be material, individually or collectively, there can be no assurance that additional material losses will not be incurred from residential mortgage claims that have not yet been notified to Morgan Stanley or are not yet determined to be material.

The following is an extract from item 3 of Part 1 entitled "*Legal Proceedings*" from the 2012 Morgan Stanley Annual Report.

Residential Mortgage and Credit Crisis 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, financing, purchase, securitization and servicing of subprime and non-subprime residential mortgages and related matters such as RMBS collateralized debt obligations ("**CDOs**"), structured investment vehicles ("**SIVs**") and credit default swaps backed by or referencing mortgage pass-through certificates. These matters include, but are not limited to, investigations related to Morgan Stanley's due diligence on the loans that it purchased for securitization, Morgan Stanley's communications with ratings agencies, Morgan Stanley's disclosure to investors, and its handling of servicing and foreclosure related issues.

Class Actions. Beginning in December 2007, several purported class action complaints were filed in the United States District Court for the Southern District of New York (the "**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**"). In February 2008, these actions were consolidated in a single proceeding, styled *In re Morgan Stanley ERISA Litigation*. The consolidated complaint 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. The consolidated complaint alleges, among other things, that Morgan Stanley's common stock was not a prudent investment and that risks associated with its common stock and its financial condition were not adequately disclosed. Plaintiffs are seeking, among other relief, class certification, unspecified compensatory damages, costs, interest and fees. On 26 March 2012, defendants filed a renewed motion to dismiss the complaint.

On 16 March 2011, a purported class action, styled *Coulter v. Morgan Stanley & Co. Incorporated et al.*, was filed in the SDNY asserting claims on behalf of participants in Morgan Stanley's 401(k) plan and employee stock ownership plan against Morgan Stanley and certain current and former officers and directors for breach of fiduciary duties under ERISA. The complaint alleges, among other things, that defendants knew or should have known that from 2 January 2008 to 31 December 2008, the plans' investment in Morgan Stanley stock was imprudent given the extraordinary risks faced by Morgan Stanley and its common stock during that period. Plaintiffs are seeking, among other relief, class certification, unspecified compensatory damages, costs, interest and fees. On 20 July 2011, plaintiffs filed an amended complaint and on 28 October 2011, defendants filed a motion to dismiss the amended complaint.

On 12 February 2008, a purported class action, styled *Joel Stratte-McClure, et al. v. Morgan Stanley, et al.*, was filed in the SDNY against Morgan Stanley and certain present and former executives asserting claims on behalf of a purported class of persons and entities who purchased shares of Morgan Stanley's 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 related in large part to Morgan Stanley's subprime and other mortgage related losses, but also included allegations regarding Morgan Stanley's disclosures, internal controls, accounting and other matters. On 8 August 2011, defendants filed a motion to dismiss the second amended complaint, which was granted on 18 January 2013. On 14 February 2013, the plaintiffs filed a notice of appeal in the United States Court of Appeals for the Second Circuit (the "**Second Circuit**").

On 7 May 2009, Morgan Stanley was named as a defendant in a purported class action lawsuit brought under Sections 11, 12 and 15 of the Securities Act of 1933, as amended (the "**Securities Act**"), which is now styled *In re Morgan Stanley Mortgage Pass-Through Certificate Litigation*, and is pending in the SDNY. The third amended complaint, filed on 30 September 2011, alleged, among other things, that the registration statements and offering documents related to the offerings of certain mortgage pass-through certificates in 2006 contained false and misleading information concerning the pools of residential loans that backed these securitizations. The plaintiffs seek, among other relief, class certification, unspecified compensatory and recessionary damages, costs, interest and fees. On 11 January 2013, the court granted plaintiffs motion for reconsideration which sought to expand the offerings at issue in the litigation based on recent precedent from the Second Circuit. On 31 January 2013, plaintiffs filed a fourth amended complaint, in which they purport to represent investors who purchased approximately $7.82 billion in mortgage pass-through certificates issued in 2006 by 14 trusts.

Beginning in 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 non-Morgan Stanley related entities that have been exposed to subprime and other mortgage-related losses. The plaintiffs in these actions allege, among other things, that the registration statements and offering documents for the offerings at issue contained 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 recissionary damages, costs, interest and fees. 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 or sponsored the securities and mortgage pass-through certificates at issue, the principal amount of the offerings underwritten by Morgan Stanley, the financial condition of co-defendants and the willingness and ability of the issuers (or their affiliates) to indemnify the underwriter defendants. Some of these cases, including *In re: Lehman Brothers Equity/Debt Securities Litigation and In re IndyMac Mortgage-Backed Securities Litigation*, relate to issuers or sponsors (or their affiliates) that have filed for bankruptcy or have been placed into receivership.

In re: Lehman Brothers Equity/Debt Securities Litigation is pending in the SDNY and relates to several offerings of debt and equity securities issued by Lehman Brothers Holdings Inc. during 2007 and 2008. Morgan Stanley underwrote approximately $232 million of the principal amount of the offerings at issue. A group of underwriter defendants, including Morgan Stanley, settled the main litigation on 2 December 2012. The underwriter defendants, including Morgan Stanley, continue to defend claims by investors who opted out of the settlement or who purchased securities not covered by the settlement.

In re IndyMac Mortgage-Backed Securities Litigation is pending in the SDNY and relates to offerings of mortgage pass-through certificates issued by seven trusts sponsored by affiliates of IndyMac Bancorp during 2006 and 2007. On 21 June 2010, the court granted in part and denied in part the underwriter defendants' motion to dismiss the amended consolidated class action complaint. Morgan Stanley underwrote approximately $46 million of the principal amount of the offerings currently at issue. In July 2011, certain putative additional plaintiffs appealed the court's June 2011 order denying the motion to add them as additional plaintiffs as to Morgan Stanley. Morgan Stanley is opposing the appeals. On 17 August 2012, the court granted class certification. On 12 October 2012, the plaintiffs filed a motion seeking to expand the offerings at issue in the litigation, relying on recent precedent from the Second Circuit. Defendants have opposed the motion. If the motion is granted and the offerings are included in the class that is certified, the principal amount of the offerings underwritten by Morgan Stanley at issue in the litigation will be approximately $1.68 billion.

Luther, et al. v. Countrywide Financial Corporation, et al., pending in the Superior Court of the State of California, was filed on 14 November 2007 and involves claims related to Morgan Stanley's role as an underwriter of various residential mortgage backed securities offerings issued by affiliates of Countrywide Financial Corporation. The amended complaint includes allegations that the registration statements and the offering documents contained false and misleading statements about the residential mortgage loans backing the securities. Morgan Stanley underwrote approximately $6.3 billion of the principal amount of the offerings at issue. On 19 December 2011, defendants moved to dismiss the complaint. In February 2012, defendants moved to stay the case pending resolution of a securities class action brought by the same plaintiffs, styled *Maine State Retirement System v. Countrywide Financial Corporation, et al*., in the United States District Court for the Central District of California. In June 2012, the defendants removed the case to the United States District Court for the Central District of California. The motion to remand the matter was denied in August 2012.

Other Litigation. On 14 December 2009, Central Mortgage Company ("**CMC**") filed a complaint against Morgan Stanley, in a matter styled *Central Mortgage Company v. Morgan Stanley Mortgage Capital Holdings LLC*, pending in the Court of Chancery of the State of Delaware. The complaint alleged that that Morgan Stanley Mortgage Capital Holdings LLC improperly refused to repurchase certain mortgage loans that CMC, as servicer, was required to repurchase from the Federal Home Loan Mortgage Corporation ("**Freddie Mac**") and the Federal National Mortgage Association ("**Fannie Mae**"). On 4 November 2011, CMC filed an amended complaint adding claims related to its purchase of servicing rights in connection with approximately $4.1 billion of residential loans deposited into RMBS trusts sponsored by Morgan Stanley. The amended complaint asserts claims for breach of contract, quasi-contract, equitable and tort claims and seeks compensatory damages and equitable remedies, including rescission, injunctive relief, damages, restitution and disgorgement. On 7 August 2012, the court granted in part Morgan Stanley's motion to dismiss the amended complaint.

On 23 December 2009, the Federal Home Loan Bank of Seattle filed a complaint against Morgan Stanley and another defendant in the Superior Court of the State of Washington, styled *Federal Home Loan Bank of Seattle v. Morgan Stanley & Co. Inc., et al*. The amended complaint, filed on 28 September 2010, alleges that defendants made untrue statements and material omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sold to plaintiff by Morgan Stanley was approximately $233 million. The complaint raises claims under the Washington State Securities Act and seeks, among other things, to rescind the plaintiff's purchase of such certificates. On 18 October 2010, defendants filed a motion to dismiss the action. By orders dated 23 June 2011 and 18 July 2011, the court denied defendants' omnibus motion to dismiss plaintiff's amended complaint and on 15 August 2011, the court denied Morgan Stanley's individual motion to dismiss the amended complaint.

On 15 March 2010, the Federal Home Loan Bank of San Francisco filed two complaints against Morgan Stanley and other defendants in the Superior Court of the State of California. These actions are styled *Federal Home Loan Bank of San Francisco v. Credit Suisse Securities (USA) LLC, et al.*, and *Federal Home Loan Bank of San Francisco v. Deutsche Bank Securities Inc. et al.*, respectively. Amended complaints were filed on 10 June 2010. The amended complaints allege that defendants made untrue statements and material omissions in connection with the sale to plaintiff of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The amount of certificates allegedly sold to plaintiff by Morgan Stanley in these cases was approximately $704 million and $276 million, respectively. The complaints raise claims under both the federal securities laws and California law and seek, among other things, to rescind the plaintiff's purchase of such certificates. On 29 July 2011 and 8 September 2011, the court presiding over both actions sustained defendants' demurrers with respect to claims brought under the Securities Act, and overruled defendants' demurrers with respect to all other claims.

On 9 July 2010, and 11 February 2011, Cambridge Place Investment Management Inc. filed two separate complaints against Morgan Stanley and other defendants in the Superior Court of the Commonwealth of Massachusetts, both styled *Cambridge Place Investment Management Inc. v. Morgan Stanley & Co., Inc., et al*. The complaints assert claims on behalf of certain clients of plaintiff's affiliates and allege that defendants made untrue statements and material omissions in the sale of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley or sold to plaintiff's affiliates' clients by Morgan Stanley in the two matters was approximately $344 million. The complaints raise claims under the Massachusetts Uniform Securities Act and seek, among other things, to rescind the plaintiff's purchase of such certificates. On 14 October 2011, plaintiffs filed an amended complaint in each action. On 22 November 2011, defendants filed a motion to dismiss the amended complaints. On 12 March 2012, the court denied defendants' motion to dismiss with respect to plaintiff's standing to bring suit. Defendants sought interlocutory appeal from that decision on 11 April 2012. On 26 April 2012, defendants filed a second motion to dismiss for failure to state a claim upon which relief can be granted, which the court denied, in substantial part, on 2 October 2012.

On 15 July 2010, The Charles Schwab Corp. filed a complaint against Morgan Stanley and other defendants in the Superior Court of the State of California, styled *The Charles Schwab Corp. v. BNP Paribas Securities Corp., et al*. The complaint alleges that defendants made untrue statements and material omissions in the sale to one of plaintiff's subsidiaries of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sold to plaintiff's subsidiary by Morgan Stanley was approximately $180 million. The complaint raises claims under both the federal securities laws and California law and seeks, among other things, to rescind the plaintiff's purchase of such certificates. Plaintiff filed an amended complaint on 2 August 2010. On 22 September 2011, defendants filed demurrers to the amended complaint. On 13 October 2011, plaintiff voluntarily dismissed its claims brought under the Securities Act. On 27 January 2012, the court, in a ruling from the bench, substantially overruled defendants' demurrers. On 5 March 2012, the plaintiff filed a second amended complaint. On 10 April 2012, Morgan Stanley filed a demurrer to certain causes of action in the second amended complaint, which the court overruled on 24 July 2012.

On 15 July 2010, China Development Industrial Bank ("**CDIB**") filed a complaint against Morgan Stanley, which is styled *China Development Industrial Bank v. Morgan Stanley & Co. Incorporated* and is pending in the Supreme Court of the State of New York, New York County ("**Supreme Court of NY, NY County**"). The Complaint relates to a $275 million credit default swap referencing the super senior portion of the STACK 2006-1 CDO. The complaint asserts claims for common law fraud, fraudulent inducement and fraudulent concealment and alleges that Morgan Stanley misrepresented the risks of the STACK 2006-1 CDO to CDIB, and that Morgan Stanley knew that the assets backing the CDO were of poor quality when it entered into the credit default swap with CDIB. The complaint seeks compensatory damages related to the approximately $228 million that CDIB alleges it has already lost under the credit default swap, rescission of CDIB's obligation to pay an additional $12 million, punitive damages, equitable relief, fees and costs. On 30 September 2010, Morgan Stanley filed a motion to dismiss the complaint. On 28 February 2011, the Court denied Morgan Stanley's motion to dismiss the complaint. On 7 July 2011, the appellate court affirmed the lower court's decision denying Morgan Stanley motion to dismiss.

On 15 October 2010, the Federal Home Loan Bank of Chicago filed two complaints against Morgan Stanley and other defendants. One was filed in the Circuit Court of the State of Illinois styled *Federal Home Loan Bank of Chicago v. Bank of America Funding Corporation et al*. The other was filed in the Superior Court of the State of California styled *Federal Home Loan Bank of Chicago v. Bank of America Securities LLC, et al*. The complaints allege that defendants made untrue statements and material omissions in the sale to plaintiff of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sold to plaintiff by Morgan Stanley in the two actions was approximately $203 million and $75 million respectively. The complaint filed in Illinois raises claims under Illinois law. The complaint filed in California raises claims under the federal securities laws, Illinois law and California law. Both complaints seek, among other things, to rescind the plaintiff's purchase of such certificates. On 24 March 2011, the court presiding over *Federal Home Loan Bank of Chicago v. Bank of America Funding Corporation et al.* granted plaintiff leave to file an amended complaint. On 27 May 2011, defendants filed a motion to dismiss the amended complaint, which motion was denied on 19 September 2012. Morgan Stanley filed its answer on 21 December 2012. On 15 September 2011, plaintiff filed an amended complaint in *Federal Home Loan Bank of Chicago v. Bank of America Securities LLC, et al*. On 1 December 2011, defendants filed a demurrer to the amended complaint on statute of limitations and statute of repose grounds, which demurrer was overruled on 28 June 2012. On 31 August 2012, defendants filed demurrers on the merits of the complaint.

On 20 April 2011, the Federal Home Loan Bank of Boston filed a complaint against Morgan Stanley and other defendants in the Superior Court of the Commonwealth of Massachusetts styled *Federal Home Loan Bank of Boston v. Ally Financial, Inc. F/K/A GMAC LLC et al*. An amended complaint was filed on 19 June 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley or sold to plaintiff by Morgan Stanley was approximately $550 million. The amended complaint raises claims under the Massachusetts Uniform Securities Act, the Massachusetts consumer protection act and common law and seeks, among other things, to rescind the plaintiff's purchase of such certificates. On 26 May 2011, defendants removed the case to the United States District Court for the District of Massachusetts. On 11 October 2012, defendants filed motions to dismiss the amended complaint.

On 5 July 2011, Allstate Insurance Company and certain of its affiliated entities filed a complaint against Morgan Stanley in Supreme Court of NY, NY County styled *Allstate Insurance Company, et al. v. Morgan Stanley, et al*. An amended complaint was filed on 9 September 2011 and alleges that defendants made untrue statements and material omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued and/or sold to plaintiffs by Morgan Stanley was approximately $104 million. The complaint raises common law claims of fraud, fraudulent inducement, aiding and abetting fraud and negligent misrepresentation and seeks, among other things, compensatory and/or rescissionary damages associated with plaintiffs' purchases of such certificates. On 14 October 2011, defendants filed a motion to dismiss the amended complaint.

On 18 July 2011, the Western and Southern Life Insurance Company and certain affiliated companies filed a complaint against Morgan Stanley and other defendants in the Court of Common Pleas in Ohio, styled *Western and Southern Life Insurance Company, et al. v. Morgan Stanley Mortgage Capital Inc., et al*. An amended complaint was filed on 2 April 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The amount of the certificates allegedly sold to plaintiffs by Morgan Stanley was approximately $153 million. The amended complaint raises claims under the Ohio Securities Act, federal securities laws, and common law and seeks, among other things, to rescind the plaintiffs' purchases of such certificates. On 21 May, 2012, Morgan Stanley filed a motion to dismiss the amended complaint, which motion was denied on 3 August 2012. Trial is currently scheduled to begin in November 2013.

On 2 September 2011, the Federal Housing Finance Agency ("**FHFA**"), as conservator for Fannie Mae and Freddie Mac, filed 17 complaints against numerous financial services companies, including Morgan Stanley. A complaint against Morgan Stanley and other defendants was filed in the Supreme Court of NY, NY County, styled *Federal Housing Finance Agency, as Conservator v. Morgan Stanley et al.* The complaint alleges that defendants made untrue statements and material omissions in connection with the sale to Fannie Mae and Freddie Mac of residential mortgage pass-through certificates with an original unpaid balance of approximately $11 billion. The complaint raises claims under federal and state securities laws and common law and seeks, among other things, rescission and compensatory and punitive damages. On 26 September 2011, defendants removed the action to the SDNY and on 26 October 2011, the FHFA moved to remand the action back to the Supreme Court of NY, NY County. On 11 May 2012, plaintiff withdrew its motion to remand. On 13 July 2012, Morgan Stanley filed a motion to dismiss the complaint, which motion was denied in large part on 19 November 2012. Trial is currently scheduled to begin in January 2015.

On 2 September 2011, the FHFA, as conservator for Freddie Mac, also filed a complaint against Morgan Stanley and other defendants in the Supreme Court of NY, NY County, styled *Federal Housing Finance Agency*, as *Conservator v. General Electric Company et. al.* The complaint alleged that defendants made untrue statements and material omissions in connection with the sale to Freddie Mac of residential mortgage pass-through certificates with an original unpaid balance of approximately $549 million. Morgan Stanley raised claims under federal and state securities laws and common law and sought, among other things, rescission and compensatory and punitive damages. On 6 October 2011, defendants removed the action to the SDNY. On 22 January 2013, the plaintiff voluntarily dismissed the action with prejudice as to all defendants.

On 4 November 2011, the FDIC, as receiver for Franklin Bank S.S.B, filed two complaints against Morgan Stanley in the District Court of the State of Texas. Each was styled *Federal Deposit Insurance Corporation, as Receiver for Franklin Bank S.S.B v. Morgan Stanley & Company LLC F/K/A Morgan Stanley & Co. Inc.* and alleged that Morgan Stanley made untrue statements and material omissions in connection with the sale to plaintiff of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The amount of certificates allegedly underwritten and sold to plaintiff by Morgan Stanley in these cases was approximately $67 million and $35 million, respectively. The complaints each raised claims under both federal securities law and the Texas Securities Act and each seeks, among other things, compensatory damages associated with plaintiff's purchase of such certificates. On 20 March 2012, Morgan Stanley filed answers to the complaints in both cases. On 13 June 2012, Morgan Stanley removed the cases to the United States District Court for the Southern District of Texas. On 21 June 2012, Morgan Stanley moved to transfer the action to SDNY. On 27 November 2012, the court granted the plaintiff's motion to remand the action to Texas state court and denied Morgan Stanley's motion to transfer the case to New York. On 10 January 2013, Morgan Stanley filed a motion for summary judgement and special exceptions with respect to plaintiff's claims. On 6 February 2013, the FDIC filed an amended consolidated complaint.

On 20 January 2012, Sealink Funding Limited filed a complaint against Morgan Stanley in the Supreme Court of NY, NY County styled *Sealink Funding Limited v. Morgan Stanley, et al.* Plaintiff purports to be the assignee of claims of certain special purpose vehicles ("**SPVs**") formerly sponsored by SachsenLB Europe. An amended complaint was filed on 21 May 2012 and alleges that defendants made untrue statements and material omissions in the sale to the SPVs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley and/or sold by Morgan Stanley was approximately $507 million. The amended complaint raises common law claims of fraud, fraudulent inducement and aiding and abetting fraud and seeks, among other things, compensatory and/or rescissionary damages as well as punitive damages associated with plaintiffs' purchases of such certificates. On 7 September 2012, Morgan Stanley filed a motion to dismiss the amended complaint.

On 25 January 2012, Dexia SA/NV and certain of its affiliated entities filed a complaint against Morgan Stanley in the Supreme Court of NY, NY County styled *Dexia SA/NV et al. v. Morgan Stanley, et al.* An amended complaint was filed on 24 May 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley and/or sold to plaintiffs by Morgan Stanley was approximately $626 million. The amended complaint raises common law claims of fraud, fraudulent inducement and aiding and abetting fraud and seeks, among other things, compensatory and/or rescissionary damages as well as punitive damages associated with plaintiffs' purchases of such certificates. On 10 August 2012, Morgan Stanley filed a motion to dismiss the amended complaint.

On 25 January 2012, Bayerische Landesbank, New York Branch filed a complaint against Morgan Stanley in the Supreme Court of NY, NY County styled *Bayerische Landesbank, New York Branch v. Morgan Stanley, et al*. An amended complaint was filed on 24 May 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley and/or sold to plaintiff by Morgan Stanley was approximately $411 million. The amended complaint raises common law claims of fraud, fraudulent inducement and aiding and abetting fraud and seeks, among other things, compensatory and/or rescissionary damages as well as punitive damages associated with plaintiffs' purchases of such certificates. On 27 July 2012, Morgan Stanley filed a motion to dismiss the amended complaint.

On 25 April 2012, The Prudential Insurance Company of America and certain affiliates filed a complaint against Morgan Stanley and certain affiliates in the Superior Court of the State of New Jersey styled *The Prudential Insurance Company of America, et al. v. Morgan Stanley, et al*. The complaint alleges that defendants made untrue statements and material omissions in connection with the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley is approximately $1 billion. The complaint raises claims under the New Jersey Uniform Securities Law, as well as common law claims of negligent misrepresentation, fraud and tortious interference with contract and seeks, among other things, compensatory damages, punitive damages, rescission and rescissionary damages associated with plaintiffs' purchases of such certificates. On 16 October 2012, plaintiffs filed an amended complaint which, among other things, increases the total amount of the certificates at issue by approximately $80 million, adds causes of action for fraudulent inducement, equitable fraud, aiding and abetting fraud, and violations of the New Jersey RICO statute, and includes a claim for treble damages. On 23 January 2013, defendants filed a motion to dismiss the amended complaint.

On 25 April 2012, Metropolitan Life Insurance Company and certain affiliates filed a complaint against Morgan Stanley and certain affiliates in the Supreme Court of NY, NY County styled *Metropolitan Life Insurance Company, et al. v. Morgan Stanley, et al.* An amended complaint was filed on 29 June 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley was approximately $758 million. The amended complaint raises common law claims of fraud, fraudulent inducement, and aiding and abetting fraud and seeks, among other things, rescission, compensatory and/or rescissionary damages, as well as punitive damages, associated with plaintiffs' purchases of such certificates. On 21 September 2012, Morgan Stanley filed a motion to dismiss the amended complaint.

On 7 August 2012, U.S. Bank, in its capacity as Trustee, filed a complaint on behalf of Morgan Stanley Mortgage Loan Trust 2006-4SL and Mortgage Pass-Through Certificates, Series 2006-4SL (together, the "**Trust**") against Morgan Stanley. The matter is styled *Morgan Stanley Mortgage Loan Trust 2006-4SL, et al. v. Morgan Stanley Mortgage Capital Inc.* and is pending in the Supreme Court of NY, NY County. The complaint asserts claims for breach of contract and alleges, among other things, that the loans in the Trust, which had an original principal balance of approximately $303 million, breached various representations and warranties. The complaint seeks, among other relief, rescission of the mortgage loan purchase agreement underlying the transaction, specific performance and unspecified damages and interest. On 8 October 2012, Morgan Stanley filed a motion to dismiss the complaint.

On 8 August 2012, U.S. Bank, in its capacity as Trustee, filed a complaint on behalf of Morgan Stanley Mortgage Loan Trust 2006-14SL, Mortgage Pass-Through Certificates, Series 2006-14SL, Morgan Stanley Mortgage Loan Trust 2007-4SL and Mortgage Pass-Through Certificates, Series 2007-4SL against Morgan Stanley. The complaint is styled *Morgan Stanley Mortgage Loan Trust 2006-14SL, et al. v. Morgan Stanley Mortgage Capital Holdings LLC, as successor in interest to Morgan Stanley Mortgage Capital Inc.* and is pending in the Supreme Court of NY, NY County. The complaint asserts claims for breach of contract and alleges, among other things, that the loans in the trusts, which had original principal balances of approximately $354 million and $305 million respectively, breached various representations and warranties. The complaint seeks, among other relief, rescission of the mortgage loan purchase agreements underlying the transactions, specific performance and unspecified damages and interest. On 9 October 2012, Morgan Stanley filed a motion to dismiss the complaint.

On 10 August 2012, the FDIC, as receiver for Colonial Bank, filed two complaints against Morgan Stanley in the Circuit Court of Montgomery, Alabama. The first action is styled *Federal Deposit Insurance Corporation as Receiver for Colonial Bank v. Citigroup Mortgage Loan Trust Inc. et al.* and alleges that Morgan Stanley made untrue statements and material omissions in connection with the sale to Colonial Bank of a mortgage pass-through certificate backed by a securitization trust containing residential mortgage loans. The total amount of the certificate allegedly sponsored, underwritten and/or sold by Morgan Stanley to Colonial Bank was approximately $65 million. On 12 September 2012, defendants removed the case to the United States District Court for the Middle District of Alabama, and on 12 October 2012, plaintiff moved to remand the case to state court. The second action is styled *Federal Deposit Insurance Corporation as Receiver for Colonial Bank v. Countrywide Securities Corporation et al*. and alleges that Morgan Stanley made untrue statements and material omissions in connection with the sale to Colonial Bank of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to Colonial Bank was approximately $144 million. On 10 September 2012, defendants removed the case to the United States District Court for the Middle District of Alabama, and on 21 September 2012, the United States Judicial Panel on Multidistrict Litigation transferred the action to the United States District Court for the Central District of California. On 11 October 2012, plaintiff moved to remand the case back to state court, which motion was denied on 7 December 2012. Defendants filed a motion to dismiss on 22 January 2013. The complaints each raise claims under federal securities law and the Alabama Securities Act and each seeks, among other things, compensatory damages associated with Colonial Bank's purchase of such certificates.

On 28 September 2012, U.S. Bank, in its capacity as Trustee, filed a complaint on behalf of Morgan Stanley Mortgage Loan Trust 2006-13ARX against Morgan Stanley styled Morgan Stanley Mortgage Loan Trust 2006-13ARX v. Morgan Stanley Mortgage Capital Holdings LLC, as successor in interest to Morgan Stanley Mortgage Capital Inc., pending in the Supreme Court of NY, NY County. U.S. Bank filed an amended complaint on 17 January 2013, which asserts claims for breach of contract and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $609 million, breached various representations and warranties. The amended complaint seeks, among other relief, declaratory judgment relief, specific performance and unspecified damages and interest. On 5 October 2012, a complaint was filed against Morgan Stanley and others in the Supreme Court of NY, NY County, styled *Phoenix Light SF Limited et al v. J.P. Morgan Securities LLC et al*. The complaint alleges that defendants made untrue statements and material omissions in the sale to plaintiffs, or their assignors, of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley and/or sold to plaintiffs or their assignors by Morgan Stanley was approximately $344 million. The complaint raises common law claims of fraud, fraudulent inducement, aiding and abetting fraud, negligent misrepresentation and rescission based on mutual mistake and seeks, among other things, compensatory damages, punitive damages or alternatively rescission or rescissionary damages associated with the purchase of such certificates. Morgan Stanley filed a motion to dismiss the complaint on 14 December 2012.

On 1 May 2012, Asset Management Fund d/b/a AMF Funds and certain of its affiliated funds filed a summons with notice against Morgan Stanley in the Supreme Court of NY, NY County, styled *Asset Management Fund d/b/a AMF Funds et al v. Morgan Stanley et al*. The notice alleges that defendants made material misrepresentations and omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiffs was approximately $122 million. The notice identifies causes of action against Morgan Stanley for, among other things, common-law fraud, fraudulent inducement, aiding and abetting fraud, and negligent misrepresentation. The notice identifies the relief sought to include, among other things, monetary damages, punitive damages and rescission. Plaintiffs filed their complaint on 22 October 2012. On 3 December 2012, Morgan Stanley filed a motion to dismiss the complaint.

On 16 November 2012, IKB International S.A. and an affiliate filed a summons with notice against Morgan Stanley and certain affiliates in the Supreme Court of NY, NY County, styled *IKB International S.A. In Liquidation v. Morgan Stanley et al.* The notice alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $147 million. The notice identifies causes of action against Morgan Stanley for, among other things, common law fraud, fraudulent inducement, aiding and abetting fraud, and negligent misrepresentation as well as contract claims. The notice identifies the relief sought to include, among other things, monetary damages, punitive damages, and rescission.

On 21 November 2012, Deutsche Zentral Genossenshaftsbank AG and an affiliate filed a summons with notice against Morgan Stanley and certain affiliates in the Supreme Court of NY, NY County, styled *Deutsche Zentral Genossenshaftsbank AG, New York Branch, d/b/a DZ Bank AG New York Branch v. Morgan Stanley et al.* The notice alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $694 million. The notice identifies causes of action against Morgan Stanley for, among other things, common law fraud, fraudulent inducement, aiding and abetting fraud, and negligent misrepresentation as well as contract claims. The notice identifies the relief sought to include, among other things, monetary damages, punitive damages, and rescission.

On 28 November 2012, Stichting Pensioenfonds ABP filed a complaint against Morgan Stanley in the Supreme Court of NY, NY County styled *Stichting Pensioenfonds ABP. v. Morgan Stanley, et al*. The complaint alleges that defendants made untrue statements and material omissions in the sale to plaintiff of an unspecified amount of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The complaint raises common law claims of fraud, fraudulent inducement, aiding and abetting fraud and seeks, among other things, compensatory and/or rescissionary damages associated with plaintiff's purchases of such certificates. On 8 February 2013, Morgan Stanley filed a motion to dismiss the complaint.

On 14 December 2012, Royal Park Investments SA/NV filed a complaint against Morgan Stanley, certain affiliates, and other defendants in the Supreme Court of NY, NY County, styled *Royal Park Investments SA/NV v. Merrill Lynch et al.* The complaint alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $628 million. The complaint raises common law claims of fraud, fraudulent inducement, negligent misrepresentation, aiding and abetting fraud, and rescission and seeks, among other things, compensatory and punitive damages.

On 10 January 2013, U.S. Bank, in its capacity as Trustee, filed a complaint on behalf of Morgan Stanley Mortgage Loan Trust 2006-10SL and Mortgage Pass-Through Certificates, Series 2006-10SL against Morgan Stanley. The complaint is styled *Morgan Stanley Mortgage Loan Trust 2006-10SL, et al. v. Morgan Stanley Mortgage Capital Holdings LLC, as successor in interest to Morgan Stanley Mortgage Capital Inc.* and is pending in the Supreme Court of NY, NY County. The complaint asserts claims for breach of contract and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $300 million, breached various representations and warranties. The complaint seeks, among other relief, an order requiring Morgan Stanley to comply with the loan breach remedy procedures in the transaction documents, unspecified damages, and interest.

On 25 January 2013, the FHFA filed a summons with notice on behalf of the Trustee of the Morgan Stanley ABS Capital I Inc. Trust, Series 2007-NC1, against Morgan Stanley. The matter is styled *Federal Housing Finance Agency, as Conservator for the Federal Home Loan Mortgage Corporation, on behalf of the Trustee of the Morgan Stanley ABS Capital I Inc. Trust, Series 007-NC1 v. Morgan Stanley ABS Capital I Inc.* and is pending in the Supreme Court of NY, NY County. The notice asserts claims for breach of contract and alleges, among other things, that the loans in the Trust, which had an original principal balance of approximately $1.25 billion, breached various representations and warranties. The notice seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, unspecified damages, and interest.

On 30 January 2013, U.S. Bank, in its capacity as Trustee, filed a summons with notice on behalf of Morgan Stanley Mortgage Loan Trust 2007-2AX against Morgan Stanley. The matter is styled *Morgan Stanley Mortgage Loan Trust 2007-2AX, by U.S. Bank National Association, solely in its capacity as Trustee v. Morgan Stanley Mortgage Capital Holdings LLC, as successor-by-merger to Morgan Stanley Mortgage Capital Inc., and Greenpoint Mortgage Funding, Inc.* and is pending in the Supreme Court of NY, NY County. The notice asserts claims for breach of contract and alleges, among other things, that the loans in the Trust, which had an original principal balance of approximately $650 million, breached various representations and warranties. The complaint seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, unspecified damages, and interest.

On 24 August 2012, HSH Nordbank AG and certain affiliates filed a summons with notice against Morgan Stanley, certain affiliates, and other defendants in the Supreme Court of NY, NY County, styled *HSH Nordbank AG et al. v. Morgan Stanley et al.* The notice alleges that defendants made material misrepresentations and omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $524 million. The notice identifies causes of action against Morgan Stanley for, among other things, common law fraud, fraudulent inducement, aiding and abetting fraud, and negligent misrepresentation. The notice identifies the relief sought to include, among other things, monetary damages, punitive damages, and rescission. An amended summons with notice was filed on 28 November 2012.

On 29 August 2012, Bank Hapoalim B.M. filed a summons with notice against Morgan Stanley and certain affiliates in the Supreme Court of NY, NY County, styled *Bank Hapoalim B.M. v. Morgan Stanley et al.* The notice alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $141 million. The notice identifies causes of action against Morgan Stanley for, among other things, common law fraud, fraudulent inducement, aiding and abetting fraud, and negligent misrepresentation. The notice identifies the relief sought to include, among other things, monetary damages, punitive damages, and rescission. An amended summons with notice was filed on 4 December 2012.

Other Matters. On a case-by-case basis Morgan Stanley has entered into agreements to toll the statute of limitations applicable to potential civil claims related to RMBS, CDOs and other mortgage-related products and services when Morgan Stanley has concluded that it is in its interest to do so.

On 18 October 2011, Morgan Stanley received a letter from Gibbs & Bruns LLP (the "**Law Firm**"), which is purportedly representing a group of investment advisors and holders of mortgage pass through certificates issued by RMBS trusts that were sponsored or underwritten by Morgan Stanley. The letter asserted that the Law Firm's clients collectively hold 25% or more of the voting rights in 17 RMBS trusts sponsored or underwritten by Morgan Stanley and that these trusts have an aggregate outstanding balance exceeding $6 billion. The letter alleged generally that large numbers of mortgages in these trusts were sold or deposited into the trusts based on false and/or fraudulent representations and warranties by the mortgage originators, sellers and/or depositors. The letter also alleged generally that there is evidence suggesting that Morgan Stanley has failed prudently to service mortgage loans in these trusts. On 31 January 2012, the Law Firm announced that its clients hold over 25% of the voting rights in 69 RMBS trusts securing over $25 billion of RMBS sponsored or underwritten by Morgan Stanley, and that its clients had issued instructions to the trustees of these trusts to open investigations into allegedly ineligible mortgages held by these trusts. The Law Firm's press release also indicated that the Law Firm's clients anticipate that they may provide additional instructions to the trustees, as needed, to further the investigations. On 19 September 2012, Morgan Stanley received two purported Notices of Non-Performance from the Law Firm purportedly on behalf of the holders of significant voting rights in various trusts securing over $28 billion of residential mortgage backed securities sponsored or underwritten by Morgan Stanley. The Notice purports to identify certain covenants in Pooling and Servicing Agreements ("**PSAs**") that the holders allege that Servicer and Master Servicer failed to perform, and alleges that each of these failures has materially affected the rights of certificate holders and constitutes an ongoing event of default under the relevant PSAs. On 2 November 2012, Morgan Stanley responded to the letters, denying the allegations therein.

On 2 April 2012, Morgan Stanley entered into a Consent Order (the "**Order**") with the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**") relating to the servicing of residential mortgage loans. The terms of the Order are substantially similar and, in many respects, identical to the orders entered into with the Federal Reserve Board by other large U.S. financial institutions. The Order, which is available on the Federal Reserve Board's website, sets forth various allegations of improper conduct in servicing by Saxon, requires that Morgan Stanley and its affiliates cease and desist such conduct, and requires that Morgan Stanley, and its Board of Directors and affiliates, take various affirmative steps. The Order requires (i) Morgan Stanley to engage an independent third-party consultant to conduct a review of certain foreclosure actions or proceedings that occurred or were pending between 1 January 2009 and 31 December 2010; (ii) the adoption of policies and procedures related to management of third parties used to outsource residential mortgage servicing, loss mitigation or foreclosure; (iii) a "validation report" from an independent third-party consultant regarding compliance with the Order for the first year; and (iv) submission of quarterly progress reports as to compliance with the Order by Morgan Stanley's Board of Directors. The Order also provides that Morgan Stanley will be responsible for the payment of any civil money penalties or compensatory payments assessed by the Federal Reserve Board related to such alleged conduct, which penalties or payments have not yet been determined. On 15 January 2013, Morgan Stanley entered into a settlement with the Federal Reserve Board which resulted in the early termination of the foreclosure review process required by the Order and, in its place, Morgan Stanley agreed to pay into a settlement fund and to pay additional funds for borrower relief efforts. The Fed has reserved the ability to impose civil monetary penalties on Saxon.

Commercial Mortgage Related Matter.

On 25 January 2011, Morgan Stanley was named as a defendant in *The Bank of New York Mellon Trust, National Association v. Morgan Stanley Mortgage Capital, Inc.*, a litigation pending in the SDNY. The suit, brought by the trustee of a series of commercial mortgage pass-through certificates, alleges that Morgan Stanley breached certain representations and warranties with respect to an $81 million commercial mortgage loan that was originated and transferred to the trust by Morgan Stanley. The complaint seeks, among other things, to have Morgan Stanley repurchase the loan and pay additional monetary damages. On 27 June 2011, the court denied

Morgan Stanley's motion to dismiss, but directed the filing of an amended complaint. On 29 July 2011, Morgan Stanley filed its answer to the first amended complaint. On 21 September 2012, Morgan Stanley and plaintiff filed motions for summary judgment.

Morgan Stanley First Quarterly Report

The following developments have occurred with respect to certain matters previously reported in the 2012 Morgan Stanley Annual Report, as reported above, or concern new actions that have been filed since the 2012 Morgan Stanley Annual Report.

Residential Mortgage and Credit Crisis Related Matters.

Class Actions.

On 28 March 2013, the court presiding in both *In re Morgan Stanley ERISA Litigation and Coulter v. Morgan Stanley & Co. Incorporated et al.* granted defendants' motions to dismiss. In each case the court allowed plaintiffs the opportunity to file an amended complaint with respect to certain claims.

On 8 March 2013, Morgan Stanley filed an answer to the fourth amended complaint in *In re Morgan Stanley Mortgage Pass-Through Certificates Litigation*.

On 16 November 2012, the court presiding in *In re IndyMac Mortgage-Backed Securities Litigation* denied without prejudice plaintiffs' motion for reconsideration seeking to expand the offerings at issue in the litigation. On 26 March 2013, the court entered an order staying the litigation for 60 days in order for the parties to engage in settlement discussions.

On 17 April 2013, Bank of America announced an agreement to settle several matters, including the *Luther, et al. v. Countrywide Financial Corporation, et al.* litigation. The settlement agreement is subject to court approval.

Other Litigation.

On 15 March 2013, the court in *Allstate Insurance Company, et al. v. Morgan Stanley, et al.* denied in substantial part the defendants' motion to dismiss the amended complaint.

On 10 January 2013, Morgan Stanley filed an answer to the amended complaint in *Federal Housing Finance Agency, as Conservator for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation v. Morgan Stanley, et al*.

On 25 February 2013, Morgan Stanley filed a motion for summary judgment and special exceptions with respect to the claims raised in the amended complaint in *Federal Deposit Insurance Corporation, as Receiver for Franklin Bank S.S.B v. Morgan Stanley & Company LLC F/K/A Morgan Stanley & Co. Inc.*, which motion was denied in substantial part on 26 April 2013.

On 20 March 2013, plaintiff in *Sealink Funding Limited v. Morgan Stanley, et al*. filed a second amended complaint.

On 15 March 2013, the court in *The Prudential Insurance Company of America, et al. v. Morgan Stanley, et al*. denied the defendants' motion to dismiss the amended complaint.

On 12 February 2013, the plaintiff in *Federal Deposit Insurance Corporation as Receiver for Colonial Bank v. Citigroup Mortgage Loan Trust Inc. et al.* filed an amended complaint. On 29 March 2013, defendants filed a motion to dismiss the amended complaint in *Federal Deposit Insurance Corporation as Receiver for Colonial Bank v. Countrywide Securities Corporation et al.*

On 18 March 2013, Morgan Stanley filed a motion to dismiss the complaint in *Morgan Stanley Mortgage Loan Trust 2006-13ARX v. Morgan Stanley Mortgage Capital Holdings LLC, as successor in interest to Morgan Stanley Mortgage Capital Inc*.

On 24 April 2013, the court in *Phoenix Light SF Limited et al. v. J.P. Morgan Securities LLC et al.* granted defendants' motion to dismiss the complaint with leave to replead.

On 8 February 2013, Morgan Stanley filed a motion to dismiss the complaint in *Stichting Pensioenfonds ABP v.Morgan Stanley, et al*.

On 15 March 2013, defendants filed a motion to dismiss the complaint in *Royal Park Investments SA/NV v. Merrill Lynch et al*.

On 11 March 2013, Morgan Stanley filed a motion to dismiss the complaint in Morgan Stanley Mortgage Loan Trust 2006-10SL, et al. v. Morgan Stanley Mortgage Capital Holdings LLC, as successor in interest to Morgan Stanley Mortgage Capital Inc.

On 31 January 2013, plaintiffs in *HSH Nordbank AG et al. v. Morgan Stanley et al.* filed a complaint against the Company, certain affiliates, and other defendants in the Supreme Court of NY, NY County. The complaint alleges that defendants made material misrepresentations and omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $524 million. The complaint alleges causes of action against Morgan Stanley for common law fraud, fraudulent concealment, aiding and abetting fraud, negligent misrepresentation, and rescission and seeks, among other things, compensatory and punitive damages. On 12 April 2013, defendants filed a motion to dismiss the complaint.

On 14 February 2013, plaintiff in *Bank Hapoalim B.M. v. Morgan Stanley et al.* filed a complaint in the Supreme Court of NY, NY County. The complaint alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $141 million. The complaint alleges causes of action against Morgan Stanley for common law fraud, fraudulent concealment, aiding and abetting fraud, and negligent misrepresentation, and seeks, among other things, compensatory and punitive damages. On 26 April 2013, defendants filed a motion to dismiss the complaint.

On 20 December 2012, Landesbank Baden-Württemberg and two affiliates filed a summons with notice against Morgan Stanley and certain affiliates in the Supreme Court of NY, NY County, styled *Landesbank Baden-Württemberg et al. v. Morgan Stanley et al*. The notice alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley to plaintiff was approximately $50 million. The notice identifies causes of action against Morgan Stanley for, among other things, common law fraud, fraudulent inducement, fraudulent concealment, aiding and abetting fraud, and negligent misrepresentation as well as contract claims. The notice identifies the relief sought to include, among other things, monetary damages, punitive damages, and rescission.

On 7 March 2013, the Federal Housing Finance Agency filed a summons with notice on behalf of the trustee of the Saxon Asset Securities Trust, Series 2007-1, against Morgan Stanley and an affiliate. The matter is styled *Federal Housing Finance Agency, as Conservator for the Federal Home Loan Mortgage Corporation, on behalf of the Trustee of the Saxon Asset Securities Trust, Series 2007-1 v. Saxon Funding Management LLC and Morgan Stanley* and is pending in the Supreme Court of NY, NY County. The notice asserts claims for breach of contract and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $593 million, breached various representations and warranties. The notice seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, unspecified damages, indemnity, and interest.

On 26 April 2013, Seagull Point, LLC filed a summons with notice against Morgan Stanley and other defendants. The matter is styled *Seagull Point, LLC, individually and on behalf of Morgan Stanley ABS Capital I Inc. Trust 2007 HE-5 v. WMC Mortgage Corp.*, et al. and is pending in the Supreme Court of NY, NY County. The notice asserts claims for breach of contract and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $1.19 billion, breached various representations and warranties. The notice seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, declaratory judgment relief, and compensatory damages, including damages of not less than $476 million plus expenses, interest and fees.

(b) ***Contingencies***

For certain legal proceedings, Morgan Stanley cannot reasonably estimate such losses, particularly for proceedings that are in their early stages of development or where plaintiffs seek substantial or indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, determination of issues related to class certification and the calculation of damages, and by addressing novel or unsettled legal questions relevant to the proceedings in question, before a loss or additional loss or range of loss or additional loss can be reasonably estimated for any proceeding.

For certain other legal proceedings, Morgan Stanley can estimate reasonably possible losses, additional losses, ranges of loss or ranges of additional loss in excess of amounts accrued, but does not believe, based on current knowledge and after consultation with counsel, that such losses will have a material adverse effect on Morgan Stanley's condensed consolidated financial statements as a whole, other than the matters referred to in the following paragraphs.

On 15 March 2010, the Federal Home Loan Bank of San Francisco filed two complaints against Morgan Stanley and other defendants in the Superior Court of the State of California. These actions are styled *Federal Home Loan Bank of San Francisco v. Credit Suisse Securities (USA) LLC, et al.*, and *Federal Home Loan Bank of San Francisco v. Deutsche Bank Securities Inc. et al.*, respectively. Amended complaints filed on 10 June 2010 allege that defendants made untrue statements and material omissions in connection with the sale to plaintiff of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The amount of certificates allegedly sold to plaintiff by Morgan Stanley in these cases was approximately $704 million and $276 million, respectively. The complaints raise claims under both the federal securities laws and California law and seek, among other things, to rescind the plaintiff's purchase of such certificates. On 29 July 2011 and 8 September 2011, the court presiding over both actions sustained defendants' demurrers with respect to claims brought under the Securities Act, and overruled defendants' demurrers with respect to all other claims. At 25 March 2013, the current unpaid balance of the mortgage pass-through certificates at issue in these cases was approximately $356 million, and the certificates had incurred actual losses of approximately 1.7 million. Based on currently available information, Morgan Stanley believes it could incur a loss up to the difference between the $356 million unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against Morgan Stanley, plus pre- and post-judgment interest, fees and costs. Morgan Stanley may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On 9 July 2010 and 11 February 2011, Cambridge Place Investment Management Inc. filed two separate complaints against Morgan Stanley and other defendants in the Superior Court of the Commonwealth of Massachusetts, both styled *Cambridge Place Investment Management Inc. v. Morgan Stanley & Co., Inc., et al.* The complaints assert claims on behalf of certain clients of plaintiff's affiliates and allege that defendants made untrue statements and material omissions in the sale of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly issued by Morgan Stanley or sold to plaintiff's affiliates' clients by Morgan Stanley in the two matters was approximately $344 million. The complaints raise claims under the Massachusetts Uniform Securities Act and seek, among other things, to rescind the plaintiff's purchase of such certificates. On 14 October 2011, plaintiffs filed an amended complaint in each action. On 22 November 2011, defendants filed a motion to dismiss the amended complaints. On 12 March 2012, the court denied defendants' motion to dismiss with respect to plaintiff's standing to bring suit. Defendants sought interlocutory appeal from that decision on 11 April 2012. On 26 April 2012, defendants filed a second motion to dismiss for failure to state a claim upon which relief can be granted, which the court denied, in substantial part, on 2 October 2012. Based on currently available information, Morgan Stanley believes it could incur a loss for these actions of up to the difference between the as yet undetermined unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against Morgan Stanley, plus pre- and post-judgment interest, fees and costs. Morgan Stanley may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On 15 July 2010, China Development Industrial Bank ("**CDIB**") filed a complaint against Morgan Stanley, which is styled *China Development Industrial Bank v. Morgan Stanley & Co. Incorporated et al*. and is pending in the Supreme Court of NY, NY County. The complaint relates to a $275 million credit default swap referencing the super senior portion of the STACK 2006-1 CDO. The complaint asserts claims for common law fraud, fraudulent inducement and fraudulent concealment and alleges that Morgan Stanley misrepresented the risks of the STACK 2006-1 CDO to CDIB, and that Morgan Stanley knew that the assets backing the CDO were of poor quality when it entered into the credit default swap with CDIB. The complaint seeks compensatory damages related to the approximately $228 million that CDIB alleges it has already lost under the credit default swap, rescission of CDIB's obligation to pay an additional $12 million, punitive damages, equitable relief, fees and costs. On 28 February 2011, the court presiding over this action denied Morgan Stanley's motion to dismiss the complaint and on 21 March 2011, Morgan Stanley appealed that order. On 7 July 2011, the appellate court affirmed the lower court's decision denying the motion to dismiss. Based on currently available information, Morgan Stanley believes it could incur a loss of up to approximately $240 million plus pre- and post-judgment interest, fees and costs.

On 15 October 2010, the Federal Home Loan Bank of Chicago filed a complaint against Morgan Stanley and other defendants in the Circuit Court of the State of Illinois styled *Federal Home Loan Bank of Chicago v. Bank of America Funding Corporation et al*. The complaint alleges that defendants made untrue statements and material omissions in the sale to plaintiff of a number of mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sold to plaintiff by Morgan Stanley in this action was approximately $203 million. The complaint raises claims under Illinois law and seeks, among other things, to rescind the plaintiff's purchase of such certificates. On 24 March 2011, the court granted plaintiff leave to file an amended complaint. On 27 May 2011, defendants filed a motion to dismiss the amended complaint, which motion was denied on 19 September 2012. Morgan Stanley filed its answer on 21 December 2012. At 25 March 2013, the current unpaid balance of the mortgage pass-through certificates at issue in this case was approximately $103 million and certain certificates had incurred actual losses of approximately $700,000. Based on currently available information, Morgan Stanley believes it could incur a loss up to the difference between the $103 million unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against Morgan Stanley, plus pre- and post-judgment interest, fees and costs. Morgan Stanley may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On 18 July 2011, the Western and Southern Life Insurance Company and certain affiliated companies filed a complaint against Morgan Stanley and other defendants in the Court of Common Pleas in Ohio, styled *Western and Southern Life Insurance Company, et al. v. Morgan Stanley Mortgage Capital Inc., et al*. An amended complaint was filed on 2 April 2012 and alleges that defendants made untrue statements and material omissions in the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The amount of the certificates allegedly sold to plaintiffs by Morgan Stanley was approximately $153 million. The amended complaint raises claims under the Ohio Securities Act, federal securities laws, and common law and seeks, among other things, to rescind the plaintiffs' purchases of such certificates. On 21 May 2012, Morgan Stanley filed a motion to dismiss the amended complaint, which motion was denied on 3 August 2012. The court has set a trial date of November 2013. At March 25, 2013, the current unpaid balance of the mortgage pass-through certificates at issue in this case was approximately $122 million, and the certificates had incurred actual losses of approximately $55,000. Based on currently available information, Morgan Stanley believes it could incur a loss up to the difference between the $122 million unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against Morgan Stanley, plus post-judgment interest, fees and costs. Morgan Stanley may be entitled to an offset for interest received by the plaintiff prior to a judgment.

On 2 September 2011, the Federal Housing Finance Agency ("**FHFA**"), as conservator for Fannie Mae and Freddie Mac, filed 17 complaints against numerous financial services companies, including Morgan Stanley. A complaint against Morgan Stanley and other defendants was filed in the Supreme Court of NY, styled *Federal Housing Finance Agency, as Conservator v. Morgan Stanley et al*. The complaint alleges that defendants made untrue statements and material omissions in connection with the sale to Fannie Mae and Freddie Mac of residential mortgage pass-through certificates with an original unpaid balance of approximately $11 billion.

The complaint raises claims under federal and state securities laws and common law and seeks, among other things, rescission and compensatory and punitive damages. On 26 September 2011, defendants removed the action to the United States District Court for the Southern District of New York and on 26 October 2011, the FHFA moved to remand the action back to the Supreme Court of NY. On 11 May 2012, plaintiff withdrew its motion to remand. On 13 July 2012, Morgan Stanley filed a motion to dismiss the complaint, which motion was denied in large part on 19 November 2012. Trial is currently scheduled to begin in January 2015. At 25 March 2013, the current unpaid balance of the mortgage pass-through certificates at issue in these cases was approximately $2.87 billion, and the certificates had incurred actual losses of approximately $54 million. Based on currently available information, Morgan Stanley believes it could incur a loss up to the difference between the $2.87 billion unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against Morgan Stanley, plus pre- and post-judgment interest, fees and costs. Morgan Stanley may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

On 25 April 2012, The Prudential Insurance Company of America and certain affiliates filed a complaint against Morgan Stanley and certain affiliates in the Superior Court of the State of New Jersey styled *The Prudential Insurance Company of America, et al. v. Morgan Stanley, et al.* The complaint alleges that defendants made untrue statements and material omissions in connection with the sale to plaintiffs of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by Morgan Stanley is approximately $1 billion. The complaint raises claims under the New Jersey Uniform Securities Law, as well as common law claims of negligent misrepresentation, fraud and tortious interference with contract and seeks, among other things, compensatory damages, punitive damages, rescission and rescissionary damages associated with plaintiffs' purchases of such certificates. On 16 October 2012, plaintiffs filed an amended complaint which, among other things, increases the total amount of the certificates at issue by approximately $80 million, adds causes of action for fraudulent inducement, equitable fraud, aiding and abetting fraud, and violations of the New Jersey RICO statute, and includes a claim for treble damages. On 23 January 2013, defendants filed a motion to dismiss the amended complaint, which was denied on 15 March 2013. At 25 March 2013, the current unpaid balance of the mortgage pass through certificates at issue in these cases was approximately $598 million, and the certificates had not yet incurred actual losses. Based on currently available information, Morgan Stanley believes it could incur a loss up to the difference between the $598 million unpaid balance of these certificates (plus any losses incurred) and their fair market value at the time of a judgment against Morgan Stanley, plus pre- and post-judgment interest, fees and costs. Morgan Stanley may be entitled to be indemnified for some of these losses and to an offset for interest received by the plaintiff prior to a judgment.

In addition to the matters referenced above, on 24 April 2013, the parties reached an agreement to settle *Abu Dhabi Commercial Bank, et al. v. Morgan Stanley & Co. Inc., et al.* On 26 April 2013, the court dismissed the action with prejudice. The settlement does not cover certain claims that were previously dismissed.

Save as disclosed in:

(a) the paragraphs beginning with "Residential Mortgage and Credit Crisis Related Matters" in Part I - Item 3 entitled "Legal Proceedings" at pages 33-44 and in the paragraphs beginning with "Legal" under the heading "Contingencies" in Part II - Item 8 entitled "Notes to Consolidated Financial Statements" at pages 233-237 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2012;

(b) the paragraphs beginning with "Residential Mortgage and Credit Crisis Related Matters" in Part II – Other Information entitled "Legal Proceedings" at pages 155-157 and in the paragraphs beginning with "Legal" under the heading "Contingencies" in Part II – Item 12 entitled "Notes to Consolidated Financial Statements" at pages 74-77 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended 31 March 2013; and

(c) in this Registration Document,

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 or the Morgan Stanley Group.[1]

8. ADDITIONAL INFORMATION

Auditors

The auditors of Morgan Stanley for the financial years 1 January 2011 to 31 December 2011 and 1 January 2012 to 31 December 2012 were Deloitte & Touche LLP, an independent registered public accounting firm registered with the Public Company Accounting Oversight Board (United States) (the "**Auditors**").

The Auditors have audited the consolidated statements of financial condition of Morgan Stanley as of 31 December 2012 and 31 December 2011 and the consolidated statements of income, comprehensive income, cash flows, and changes in total equity for the calendar years ended 31 December 2012 and 31 December 2011.

The Auditors have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Morgan Stanley's internal control over financial reporting as of 31 December 2012, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and their report dated 26 February 2013, expresses an unqualified opinion on Morgan Stanley's internal control over financial reporting.

The Auditors expressed an opinion on such consolidated financial statements, indicating that such consolidated financial statements present fairly, in all material respects, the financial position of Morgan Stanley as of 31 December 2011 and 31 December 2012, and the results of its operations and its cash flows for the years ended 31 December 2011 and 31 December 2012 in conformity with accounting principles generally accepted in the United States of America.

[1] To be confirmed by MS prior to CSSF approval.

Based on their audits, the Auditors expressed their opinion that such financial statements, 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.

Trend Information

Morgan Stanley's business may be affected by factors such as economic and political conditions and geopolitical events; market conditions (particularly in the global equity, fixed income, credit and commodities markets), current, pending and future legislation, regulation and legal actions in the United States of America and worldwide, equity, fixed income, and commodity prices and interest rates, currency values and other market indices, the availability and cost of credit and capital, investor, consumer and business sentiment and confidence in the financial markets; inflation, natural disasters and acts of war or terrorism; the actions and initiatives of competitors as well as governments, regulators and self-regulatory organizations, including changes in the way financial institutions are regulated; and technological changes.

There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2012**.**

Significant Change

There has been no significant change in the financial or trading position of Morgan Stanley since 31 March 2013.

Share Capital

The authorised share capital of Morgan Stanley at 31 March 2012 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 31 December 2012 comprised 2,038,893,979 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.

9. 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 "Additional Information" above.

10. FINANCIAL INFORMATION

Required Capital

Morgan Stanley's required capital ("**Required Capital**") estimation is based on the Required Capital Framework, an internal capital adequacy measure. This framework is a risk-based internal use of capital measure, which is compared with Morgan Stanley's regulatory capital to help ensure Morgan Stanley maintains an amount of risk-based going concern capital after absorbing potential losses from extreme stress events, where applicable, at a point in time. The difference between Morgan Stanley's regulatory capital and aggregate Required Capital is Morgan Stanley's Parent capital. Average Tier 1 common capital, aggregate Required capital and Parent capital for 2012 were approximately $42.8 billion, $27.3 billion and $15.5 billion, respectively. Morgan Stanley generally holds Parent capital for prospective regulatory requirements, including Basel III, organic growth, acquisitions and other capital needs.

Tier 1 capital and common equity attribution to the business segments is based on capital usage calculated by Required Capital Framework. In principle, each business segment is capitalized as if it were an independent operating entity with limited diversification benefit between the business segments. Required Capital is assessed in each business segment and further attributed to product lines. This process is intended to align capital with the risks in each business segment in order to allow senior management to evaluate returns on a risk-adjusted basis. The Required Capital framework will evolve over time in response to changes in the business and regulatory environment, and to incorporate enhancements in modelling techniques. Morgan Stanley will continue to evaluate the framework with respect to the impact of future regulatory requirements, as appropriate.

Beginning in the quarter ended March 31, 2012, the Morgan Stanley and segment Required Capital is met by Tier 1 common capital. Prior to the quarter ended March 31, 2012, Morgan Stanley's Required Capital was met by regulatory Tier 1 capital or Tier 1 common equity. Segment capital for prior periods has been recast under this framework.

The following table presents the business segments' and Morgan Stanley's average Tier 1 capital and average common equity for 2012 and 2011.

	2012		2011	
	Average Tier l Common Capital	**Average Common Equity**	**Average Tier l Common Capital**	**Average Common Equity**
	(dollars in billions)			
Institutional Securities	$22.3	$29.0	$25.9	$32.7
Global Wealth Management Group	3.7	13.3	3.3	13.2
Asset Management	1.3	2.4	1.5	2.6
Parent capital	15.5	16.1	5.3	5.9
Total	$42.8	$60.8	$36.0	$54.4

Morgan Stanley updated its Required Capital Framework methodology, with the regulatory changes becoming effective in 2013. As a result of this update to the Required Capital Framework methodology, and taking the estimated impact of Basel 2.5 into consideration, Parent capital is estimated to decrease by approximately $13 billion with a corresponding increase allocated to the business segments.

Overview of 2012 Financial Results

Consolidated Results. Morgan Stanley recorded net income applicable to Morgan Stanley of $68 million on net revenues of $26,112 million in 2012, compared with net income applicable to Morgan Stanley of $4,110 million on net revenues of $32,236 million in 2011.

Net revenues in 2012 included negative revenues of $4,402 million due to the impact of Debt Valuation Adjustment ("**DVA**"), representing the change in the fair value of certain of Morgan Stanley's long-term and short-term borrowings resulting from the fluctuation in Morgan Stanley's credit spreads and other credit factors), compared with positive revenues of $3,681 million in 2011. Results for 2011 also included the comprehensive settlement with MBIA Insurance Corporation, which resulted in a pre-tax loss of approximately $1.7 billion. Non-interest expenses decreased 2% to $25,597 million in 2012 compared with $26,137 million in 2011. Compensation expenses decreased 4% to $15,622 million in 2012 compared with $16,333 million in 2011. Non-compensation expenses increased 2% to $9,975 million in 2012, primarily due to increased litigation costs reported in the Institutional Securities business segment and non-recurring expenses primarily associated with the Morgan Stanley Wealth Management integration.

Diluted EPS and diluted EPS from continuing operations were $(0.02) and $0.02 in 2012, respectively, compared with $1.23 and $1.26, respectively, in 2011. The earnings per share calculation for 2011 included a negative adjustment of approximately $1.7 billion, or $0.98 per diluted share (calculated using 1.79 billion diluted average shares outstanding under the if-converted method), related to the conversion of MUFG's outstanding Series B Non-Cumulative Non-Voting Perpetual Convertible Preferred Stock into Morgan Stanley's common stock. Excluding the impact of DVA, net revenues were $30,514 million and diluted EPS from continuing operations were $1.64 per share in 2012, compared with $28,555 million and $(0.08) per share, respectively, in 2011.

Morgan Stanley's effective tax rate from continuing operations was a benefit of 46.4% for 2012. The effective tax rate included an aggregate net tax benefit of $142 million consisting of a discrete benefit and an out-of-period tax provision. Excluding this net tax benefit, the effective tax rate from continuing operations in 2012 would have been a benefit of 18.8%. The effective tax rate is reflective of the tax benefits associated with DVA losses in 2012.

The results of Quilter, the Morgan Stanley's retail wealth management business in the U.K. (reported in the Global Wealth Management Group business segment) and Saxon, a provider of servicing and subservicing of residential mortgage loans (reported in the Institutional Securities business segment), are presented as discontinued operations for all periods presented. During 2012, Morgan Stanley completed the sale of Quilter, resulting in a pre-tax gain of $108 million. In addition, the sale of Saxon's assets was substantially completed in the second quarter of 2012. Discontinued operations in 2012 also include a provision of approximately $115 million related to a settlement with the Federal Reserve concerning the independent foreclosure review related to Saxon. Discontinued operations were a gain (loss) of $(43) million, $(160) million and $610 million in 2012, 2011 and 2010, respectively.

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

	31 December 2012	31 December 2011
Assets		
Cash and due from banks ($526 and $511 at 31 December 2012 and 31 December 2011, respectively, related to consolidated variable interest entities generally not available to Morgan Stanley	$ 20,878	$ 13,165
Interest bearing deposits with banks	26,026	34,147
Cash deposited with clearing organizations or segregated under federal and other regulations or requirements	30,970	29,454
Financial instruments owned, at fair value (approximately $147,348 and $140,749 were pledged to various parties at 31 December 2012 and 31 December 2011, respectively):		
U.S. government and agency securities	54,015	63,449
Other sovereign government obligations	43,162	29,059
Corporate and other debt ($1,602 and $3,007 at 31 December 2012 and 31 December 2011, respectively, related to consolidated variable interest entities, generally not available to Morgan Stanley)	49,157	68,923
Corporate equities	69,427	47,966
Derivative and other contracts	36,197	48,064
Investments ($1,888 and $1,666 at 31 December 2012 and 31 December 2011, respectively, related to consolidated variable interest entities, generally not available to Morgan Stanley)	8,346	8,195
Physical commodities	7,229	9,697
Total financial instruments owned, at fair value	267,603	275,353
Securities available for sale, at fair value	39,869	30,495
Securities received as collateral, at fair value	14,278	11,651
Federal funds sold and securities purchased under agreements to resell (includes $621 and $112 at fair value at 31 December 2012 and 31 December 2011, respectively)	134,412	130,155
Securities borrowed	121,701	127,074
Receivables:		
Customers	46,197	33,977
Brokers, dealers and clearing organizations	7,335	5,248
Fees, interest and other	10,756	9,444
Loans (net of allowances of $106 and $17 at 31 December 2012 and 31 December 2011, respectively)	29,046	15,369
Other investments	4,999	4,832
Premises, equipment and software costs (net of accumulated depreciation of $5,525 and $4,852 at 31 December 2012 and 31 December 2011, respectively) ($224 and $234 at 31 December 2012 and 31 December 2011, respectively, related to consolidated variable interest entities, generally not available to Morgan Stanley)	5,946	6,457
Goodwill	6,650	6,686
Intangible assets (net of accumulated amortization of $1,250 and $910 at 31 December 2012 and 31 December 2011, respectively) (includes $7 and $133 at fair value at 31 December 2012 and 31 December 2011, respectively)	3,783	4,285
Other assets ($593 and $446 at 31 December 2012 and 31 December 2011, respectively, related to consolidated variable interest entities, generally not available to Morgan Stanley)	10,511	12,106
Total assets	$ 780,960	$ 749,898

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

	31 December 2012	31 December 2011
Liabilities		
Deposits (includes $1,485 and $2,101 at fair value at 31 December 2012 and 31 December 2011, respectively)	$ 83,266	$ 65,662
Commercial paper and other short-term borrowings (includes $725 and $1,339 at fair value at 31 December 2012 and 31 December 2011, respectively)	2,138	2,843
Financial instruments sold, not yet purchased, at fair value:		
U.S. government and agency securities	21,620	19,630
Other sovereign government obligations	29,614	17,141
Corporate and other debt	5,054	8,410
Corporate equities	26,876	24,497
Derivative and other contracts	36,958	46,453
Physical commodities	—	16
Total financial instruments sold, not yet purchased, at fair value	120,122	116,147
Obligation to return securities received as collateral, at fair value	18,226	15,394
Securities sold under agreements to repurchase (includes $363 and $348 at fair value at 31 December 2012 and 31 December 2011, respectively)	122,674	104,800
Securities loaned	36,849	30,462
Other secured financings (includes $9,466 and $14,594 at fair value at 31 December 2012 and 31 December 2011, respectively) ($976 and $2,316 at 31 December 2011 and 31 December 2012, respectively, related to consolidated variable interest entities and are non-recourse to Morgan Stanley)	15,727	20,719
Payables:		
Customers	122,540	117,241
Brokers, dealers and clearing organizations	2,497	4,082
Interest and dividends	2,685	2,292
Other liabilities and accrued expenses ($117 and $121 at 31 December 2012 and 31 December 2011, respectively, related to consolidated variable interest entities and are non-recourse to Morgan Stanley	14,928	15,944
Long-term borrowings (includes $44,044 and $39,663 at fair value at 31 December 2012 and 31 December 2011, respectively)	169,571	184,234
	711,223	679,820
Commitments and contingent liabilities (see Note 13)		
Redeemable noncontrolling interests (see Notes 2,3 and 15)	4,309	—
Equity		
Morgan Stanley shareholders' equity:		
Preferred stock	1,508	1,508
Common stock, $0.01 par value:		
Shares authorized: 3,500,000,000 at 31 December 2012 and 31 December 2011; Shares issued: 2,038,893,979 at 31 December 2012 and 1,989,377,171 at 31 December 2011; Shares outstanding: 1,974,042,123 at 31 December 2012 and 1,926,986,130 at 31 December 2011	20	20
Paid-in capital	23,426	22,836
Retained earnings	39,912	40,341
Employee stock trust	2,932	3,166
Accumulated other comprehensive loss	(516)	(157)
Common stock held in treasury, at cost, $0.01 par value; 64,851,856 shares at 31 December 2012 and 62,391,041 shares at 31 December 2011	(2,241)	(2,499)
Common stock issued to employee trust	(2,932)	(3,166)
Total Morgan Stanley shareholders' equity	62,109	62,049
Nonredeemable noncontrolling interests	3,319	8,029
Total equity	65,428	70,078
Total liabilities, redeemable noncontrolling interests and equity	$ 780,960	$ 749,898

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

	2012	2011	2010
Revenues:			
Investment banking	$ 4,758	$ 4,991	$ 5,122
Principal transactions:			
Trading	6,991	12,384	9,393
Investments	742	573	1,825
Commissions and fees	4,257	5,347	4,913
Asset management, distribution and administration fees	9,008	8,410	7,843
Other	555	175	1,236
Total non-interest revenues	26,311	31,880	30,332
Interest income	5,725	7,258	7,305
Interest expense	5,924	6,902	6,407
Net interest	(199)	356	898
Net revenues	26,112	32,236	31,230
Non-interest expenses:			
Compensation and benefits	15,662	16,333	15,866
Occupancy and equipment	1,546	1,548	1,544
Brokerage, clearing and exchange fees	1,536	1,633	1,416
Information processing and communications	1,913	1,811	1,645
Marketing and business development	602	595	571
Professional services	1,923	1,794	1,808
Other	2,455	2,423	2,182
Total non-interest expenses	25,597	26,137	25,032
Income from continuing operations before income taxes	515	6,099	6,198
Provision for (benefit from) income taxes	(239)	1,410	743
Income from continuing operations	754	4,689	5,455
Discontinued operations:			
Gain (loss) from discontinued operations	(43)	(160)	610
Provision for (benefit from) income taxes	(5)	(116)	363
Net gain (loss) from discontinued operations	(38)	(44)	247
Net income	$ 716	$ 4,645	$ 5,702
Net income applicable to redeemable noncontrolling interests	124	—	—
Net income applicable to nonredeemable noncontrolling interests	524	535	999
Net income applicable to Morgan Stanley	$ 68	$ 4,110	$ 4,703
Earnings (loss) applicable to Morgan Stanley common shareholders	$ (30)	$ 2,067	$ 3,594
Amounts applicable to Morgan Stanley:			
Income from continuing operations	$ 135	$ 4,161	$ 4,469
Net gain (loss) from discontinued operations	(67)	(51)	234
Net income applicable to Morgan Stanley	$ 68	$ 4,110	$ 4,703
Earnings (loss) per basic common share:			
Income from continuing operations	$ 0.02	$ 1.28	$ 2.48
Net gain (loss) from discontinued operations	(0.04)	(0.03)	0.16
Earnings (loss) per basic common share	$ (0.02)	$ 1.25	$ 2.64
Earnings (loss) per diluted common share:			
Income from continuing operations	$ 0.02	$ 1.26	$ 2.45
Net gain (loss) from discontinued operations	(0.04)	(0.03)	0.18
Earnings (loss) per diluted common share	$ (0.02)	$ 1.23	$ 2.63
Dividends declared per common share	$ 0.20	$ 0.20	$ 0.20
Average common shares outstanding:			
Basic	1,885,774,276	1,654,708,640	1,361,670,938
Diluted	1,918,811,270	1,675,271,699	1,411,268,971

Morgan Stanley
Consolidated Statements of Comprehensive Income
(dollars in millions)

	2012	2011	2010
Net income	$ 716	$ 4,645	$ 5,702
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments[1]	$ (255)	$ 35	$ 221
Amortization of cash flow hedges[2]	6	7	9
Net unrealized gain on Securities available for sale[3]	28	87	36
Pension, postretirement and other related adjustments[4]	(260)	251	(20)
Total other comprehensive income (loss)	$ (481)	$ 380	$ 246
Comprehensive income	$ 235	$ 5,025	$ 5,948
Net income applicable to redeemable noncontrolling interests	124	—	—
Net income applicable to nonredeemable noncontrolling interests	524	535	999
Other comprehensive income (loss) applicable to redeemable noncontrolling interests	(2)	—	—
Other comprehensive income (loss) applicable to nonredeemable noncontrolling interests	(120)	70	153
Comprehensive income(loss) applicable to Morgan Stanley	$ (291)	$ 4,420	$ 4,796

(1) Amounts are net of provision for (benefit from) income taxes of $120 million, $86 million and $(222) million for 2012, 2011 and 2010, respectively.

(2) Amounts are net of provision for income taxes of $3 million, $6 million and $6 million for 2012, 2011 and 2010, respectively.

(3) Amounts are net of provision for income taxes of $16 million, $63 million and $25 million for 2012, 2011 and 2010, respectively.

(4) Amounts are net of provision for (benefit from) income taxes of $(156) million, $153 million and $(10) million for 2012, 2011 and 2010, respectively.

Selected Financial Information of Morgan Stanley

The remainder of this section contains selected financial information of Morgan Stanley relating to the years ended 31 December 2012 and 31 December 2011 derived from the audited financial statements included in Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2012.

	31 Dec 2012	**31 Dec 2011**
Balance Sheet (*in $ millions*)		
Total Asset	780,960	749,898
Total Liabilities, redeemable noncontrolling interests and equity	780,960	749,898
Consolidated Income Statement *(in $ millions)*		
Net Revenues	26,112	32,236
Income (loss) from continuing operations before tax	515	6,099
Net income	716	4,645

DESCRIPTION OF MORGAN STANLEY & CO. INTERNATIONAL PLC

1. INFORMATION ABOUT MORGAN STANLEY & CO. INTERNATIONAL PLC

History and Development of Morgan Stanley & Co. International plc

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

MSI plc was incorporated in England and Wales with registered number 2068222 on 28 October 1986. MSI plc was incorporated as a company limited by shares under the Companies Act 1985 and operates under the Companies Act 2006. MSI plc was re-registered as a public limited company on 13 April 2007.

Registered office

MSI plc's registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA and the telephone number of its registered office is +44 20 7425 8000.

Legal and commercial name

MSI plc's legal and commercial name is Morgan Stanley & Co. International plc.

Recent Events

No recent event particular to MSI plc has occurred which is to a material extent relevant to the evaluation of its solvency.

2. OVERVIEW OF THE ACTIVITIES

MSI plc forms part of a group of companies including MSI plc and all of its subsidiary and associated undertakings ("**MSI plc Group**"). The principal activity of the MSI plc Group is the provision of financial services to corporations, governments and financial institutions.

MSI plc operates globally with a particular focus in Europe. It operates branches in the Dubai International Financial Centre, France, Korea, the Netherlands, New Zealand, Poland, the Qatar Financial Centre and Switzerland.

The MSI plc Group provides 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; and investment activities.

3. ORGANISATIONAL STRUCTURE

MSI plc's ultimate U.K. parent undertaking is Morgan Stanley International Limited and MSI plc's ultimate parent undertaking and controlling entity is Morgan Stanley, which, together with MSI plc and Morgan Stanley's other consolidated subsidiaries, form the Morgan Stanley Group.

MSI plc is owned directly by Morgan Stanley UK Group (70% holding) and Morgan Stanley Services (UK) Limited (10% holding). Morgan Stanley Finance Limited (10% holding) and Morgan Stanley Strategic Funding Limited (10% holding).

The consolidated accounts set out in the section entitled "Selected Financial Information of Morgan Stanley & Co. International plc" herein are the MSI plc Group accounts and for the purposes of those accounts, MSI plc is the parent company of such Group.

There are substantial inter-relationships between MSI plc and Morgan Stanley as well as other companies in the Morgan Stanley Group, including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees. As a consequence of such inter-relationships, and of the participation of both MSI plc and other Morgan Stanley

Group companies in the global financial services sector, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Any such effect could be direct, for example, where economic or market factors directly affect the markets in which MSI plc and other companies in the Morgan Stanley Group operate, or indirect, for example where any factor affects the ability of other companies in the Morgan Stanley Group to provide services or funding or capital to MSI plc or, directly or indirectly, to place business with MSI plc. Similarly, any development affecting the reputation or standing of Morgan Stanley or other companies in the Morgan Stanley Group may have an indirect effect on MSI plc. Such inter-relationships should therefore be taken into account in any assessment of MSI plc.

Please see "Description of Morgan Stanley" for information on the Morgan Stanley Group.

4. MANAGEMENT OF MORGAN STANLEY & CO. INTERNATIONAL PLC

Directors of MSI plc

Name	*Principal outside activity*
Colin Bryce	Director of Morgan Stanley International Limited, Morgan Stanley Capital Group Limited, Morgan Stanley Securities Limited, Chairman of Morgan Stanley Bank International Limited and Member of the Supervisory Board of Morgan Stanley Bank AG
David Cannon	None
Colm Kelleher	Chairman of Morgan Stanley International Limited, Director of Morgan Stanley & Co, LLC and OOO Morgan Stanley Bank. Chairman of Morgan Stanley Bank N.A.
Franck Petitgas	Director of Morgan Stanley International Limited, Morgan Stanley & Co. Limited and OOO Morgan Stanley Bank and Member of the Supervisory Board of Morgan Stanley Bank AG
Mary Phibbs	Non-executive Director of Nottingham Building Society, SAV Credit Limited, MNovae Group plc, Novae Syndicates Limited, Stewart Title Limited, and the Charity Bank Limited
Ian Plenderleith	Independent Director of Morgan Stanley International Limited, Director of Morgan Stanley Bank International Limited, Sanlam Limited, Sanlam Life Insurance Limited, Sanlam UK Limited, BMCE Bank International plc and Chairman of BH Macro Limited
Robert Rooney	Director of Morgan Stanley International Limited, OOO Morgan Stanley Bank and Member of the Supervisory Board of Morgan Stanley Bank AG
David Russell	Director of Morgan Stanley International Limited, Morgan Stanley Securities Limited, OOO Morgan Stanley Bank, Strategic Investments I, Inc, Member of the Supervisory Board of Morgan Stanley Bank AG and Director of RMB Morgan Stanley (Proprietary) Limited

Sir John Gieve	Independent Director of Morgan Stanley International Limited, Director of Morgan Stanley Bank International Limited, Vocalink Holdings Limited, Nesta Operating Company
Clare Woodman	Director of Morgan Stanley International Limited, Morgan Stanley Saudi Arabia, Morgan Stanley Smith Barney Holdings (UK) Limited, Bank Morgan Stanley AG, OOO Morgan Stanley Bank, Credito Fondiario S.p.A., Euroclear SA/NV, Euroclear plc and Association For Financial Markets In Europe

The business address of the directors is 25 Cabot Square, Canary Wharf, London E14 4QA.

There are no potential conflicts of interests between any duties to MSI plc of its directors and their private interests and/or other duties.

5. BOARD PRACTICES

Morgan Stanley International Limited ("**MSI**") established an audit committee (the "**Audit Committee**") in September 2003. The current remit of the Audit Committee is to assist the Board of MSI in monitoring: (i) the integrity of the financial statements of MSI, its FSA regulated subsidiaries, namely: Morgan Stanley Bank International Limited, Morgan Stanley & Co. International plc, Morgan Stanley Securities Limited, Morgan Stanley & Co. Limited and Morgan Stanley Investment Management Limited ("**Regulated Subsidiaries**"), and Morgan Stanley B.V. (together with the Regulated Subsidiaries, its "**Subsidiaries**") (ii) the systems of internal controls, (iii) compliance with legal and regulatory requirements, (iv) the qualifications and independence of external auditors for MSI and its Subsidiaries, (v) the performance of Morgan Stanley's internal and external auditors, and (vi) the efficacy of Morgan Stanley's policies and structures for conflict management in Europe.

The Audit Committee reports to the Board of MSI on a quarterly basis. The Audit Committee comprises Colin Fisher, Sir John Gieve, Sir Adam Ridley, Ian Plenderleith, Sue Watts and Clare Woodman. Colin Fisher, Sir John Gieve, Sir Adam Ridley and Ian Plenderleith are not officers or employees of Morgan Stanley Group and are independent members of the Audit Committee. The Audit Committee members are appointed by the Board of Directors of MSI.

MSI plc complies with the corporate governance requirements as required by the corporate laws of the United Kingdom.

6. MAJOR SHAREHOLDERS

Major Shareholders

MSI plc's share capital is owned as follows:

Share Class	Shareholder	Shares Held (% of Class)
GBP Ordinary Shares	Morgan Stanley UK Group	17,615,106 (99.9%)
GBP Ordinary Shares	Morgan Stanley Group (Europe)	1 (0.01%)
USD Ordinary Shares	Morgan Stanley UK Group	6,884,105,148 (100%)
USD Class A Non-Voting Ordinary Shares	Morgan Stanley UK Group	1,500,000,000 (100%)
USD Class C Non-Cumulative Preference Shares	Morgan Stanley Services (UK) Limited Morgan Stanley Finance Limited	7,000,000 (14%) 43,000,000 (86%)

USD Class D1 Non-Cumulative Preference Shares	Morgan Stanley Strategic Funding Limited	2,500,000,000 (100%)

7. LEGAL PROCEEDINGS

In the normal course of business, the MSI plc Group 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 entities that would otherwise be the primary defendants in such cases are bankrupt or are in financial distress. These actions have included, but are not limited to, residential mortgage and credit crisis related matters. Over the last several years, the level of litigation and investigatory activity focused on residential mortgage and credit crisis related matters has increased materially in the financial services industry. As a result, the MSI plc Group may become the subject of increased claims for damages and other relief regarding residential mortgages and related securities in the future and, while the MSI plc Group has identified below any individual proceedings where the MSI plc Group believes a material loss to be reasonably possible and reasonably estimable, there can be no assurance that material losses will not be incurred from claims that have not yet been notified to the MSI plc Group or are not yet determined to be probable or possible and reasonably estimable losses.

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

Litigation matters

The MSI plc Group contests liability and/or the amount of damages as appropriate in each pending matter. Where available information indicates that it is probable a liability had been incurred at the date of the consolidated financial statements and the Group can reasonably estimate the amount of that loss, the Group accrues the estimated loss by a charge to income. In many proceedings, however, it is inherently difficult to determine whether any loss is probable or even possible or to estimate the amount of any loss. In addition, even where loss is possible or an exposure to loss exists in excess of the liability already accrued with respect to a previously recognized loss contingency, it is not always possible to reasonably estimate the size of the possible loss or range of loss.

For certain legal proceedings, the MSI plc Group cannot reasonably estimate such losses, particularly for proceedings that are in their early stages of development or where plaintiffs seek substantial or indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, determination of issues related to class certification and the calculation of damages, and by addressing novel or unsettled legal questions relevant to the proceedings in question, before a loss or additional loss or range of loss or additional loss can be reasonably estimated for any proceeding.

For certain other legal proceedings, the MSI plc Group can estimate reasonably possible losses, additional losses, ranges of loss or ranges of additional loss in excess of amounts accrued, but does not believe, based on current knowledge and after consultation with counsel, that such losses will have a material adverse effect on the MSI plc Group's consolidated financial statements as a whole, other than the matters referred to in the following paragraphs.

On 25 August 2008, the Morgan Stanley Group, the MSI plc Group and two ratings agencies were named as defendants in a purported class action related to securities issued by a SIV called Cheyne Finance plc and Cheyne Finance LLC (together, the "**Cheyne SIV**"). The case is styled *Abu Dhabi Commercial Bank, et al. v. Morgan Stanley & Co. Inc., et al.* and is pending in the SDNY. The complaint alleges, among other things, that the ratings assigned to the securities issued by the Cheyne SIV were false and misleading, including because the ratings did not accurately reflect the risks associated with the subprime residential mortgage backed securities held by the Cheyne SIV. The plaintiffs currently assert allegations of aiding and abetting fraud and negligent misrepresentation relating to approximately $852 million of securities issued by the Cheyne SIV. The plaintiffs' motion for class certification was denied in June 2010. The court denied the Morgan Stanley Group's and the MSI plc Group's motion for summary judgment on the aiding and abetting fraud claim in August 2012. On 30 November 2012, the Morgan Stanley Group and the MSI plc Group filed a motion for summary judgment on the negligent misrepresentation claim. On 24 April 2013, the parties reached an agreement to settle the *Abu Dhabi Commercial Bank, et al. v. Morgan Stanley & Co. Inc., et al.* litigation. On 26 April 2013, the court dismissed the action with prejudice. The settlement does not cover certain claims that were previously dismissed.

On 15 July 2010, CDIB filed a complaint against the Morgan Stanley Group, which is styled *China Development Industrial Bank v. Morgan Stanley & Co. Incorporated et al.* and is pending in the Supreme Court of the State of New York, New York County. The complaint relates to a $275 million credit default swap referencing the super senior portion of the STACK 2006-1 CDO. The complaint asserts claims for common law fraud, fraudulent inducement and fraudulent concealment and alleges that the Morgan Stanley Group misrepresented the risks of the STACK 2006-1 CDO to CDIB, and that the Morgan Stanley Group knew that the assets backing the CDO were of poor quality when it entered into the credit default swap with CDIB. The complaint seeks compensatory damages related to the approximately $228 million that CDIB alleges it has already lost under the credit default swap, rescission of CDIB's obligation to pay an additional $12 million, punitive damages, equitable relief, fees and costs. On 28 February 2011, the court presiding over this action denied the Morgan Stanley Group's motion to dismiss the complaint. On 7 July 2011, the appellate court affirmed the lower court's decision denying the motion to dismiss. Based on currently available information, the Morgan Stanley Group believes it could incur a loss of up to approximately $240 million plus pre- and post-judgment interest, fees and costs.

On 10 June 2010, the Morgan Stanley Group and the MSI plc Group was named as a new defendant in a pre-existing purported class action related to securities issued by a SIV called Rhinebridge plc and Rhinebridge LLC (together the "**Rhinebridge SIV**"). The case is styled *King County, Washington, et al. v. IKB Deutsche Industriebank AG, et al.* and is pending in the SDNY before the same judge presiding over the litigation concerning the Cheyne SIV, described above. The complaint alleges, among other things, that the ratings assigned to the securities issued by the SIV were false and misleading, including because the ratings did not accurately reflect the risks associated with the subprime RMBS held by the SIV. The court dismissed plaintiffs' claims for breach of fiduciary duty and negligence on 4 May 2012. On 7 September 2012 the Morgan Stanley Group and the MSI plc Group moved for summary judgment with respect to the remaining claims for fraud, negligent misrepresentation and aiding and abetting fraud. On 3 January 2013 the court granted the motion for summary judgment with respect to the fraud and negligent misrepresentation claims and denied it with respect to the aiding and abetting fraud claim. On 24 April 2013, the parties reached an agreement to settle the *King County, Washington, et al. v. IKB Deutsche Industriebank AG, et al.* litigation. On April 26, 2013, the court dismissed the action with prejudice.

In addition to the matters disclosed above, on 2 October 2012, the United States Court of Appeals for the Second Circuit affirmed the 27 June 2011 judgment of the SDNY in *Citibank, N.A. v. Morgan Stanley & Co. International plc* in favour of Citibank, N.A. for $269 million plus post-judgment interest and costs. The Group has satisfied the judgment. In compliance with certain intra-group policies of the Morgan Stanley Group, all costs related to this matter were transferred to other Morgan Stanley Group undertakings outside of the MSI plc Group.

Save as disclosed above under the paragraph entitled "Litigation matters", there are no governmental, legal or arbitration proceedings involving MSI plc (including any such proceedings which are pending or threatened of which MSI plc is aware) which may have or have had 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 the MSI plc Group.

8. ADDITIONAL INFORMATION

Auditors

MSI plc's report and accounts for the financial years ended 31 December 2012 and 31 December 2011 have been audited by Deloitte LLP of 2 New Street Square, London EC4A 3BZ who are a firm of registered auditors and a member firm of the Institute of Chartered Accountants in England and Wales for institute by-laws purposes.

Trend Information

There has been no material adverse change in the prospects of MSI plc since 31 December 2012.

Significant Change

There has been no significant change in the financial or trading position of the MSI plc Group since 31 December 2012 (the date of the latest consolidated report and accounts of MSI plc).

Capital Structure

MSI plc has the following issued and fully paid up share capital:

(i) £17,615,107 divided into 17,615,107 ordinary shares of £1 par value each (the "**GBP Ordinary Shares**"). Each GBP Ordinary Share is entitled to one vote within its class. The GBP Ordinary Shares as a class are entitled to 0.1787% of the votes at shareholder meetings.

(ii) U.S.$6,884,105,148 divided into 6,884,105,148 ordinary shares of U.S.$1 par value each (the "**USD Ordinary Shares**"). Each USD Ordinary Share is entitled to one vote within its class. The USD Ordinary Shares as a class are entitled to 69.8213% of the votes at shareholder meetings.

(iii) U.S. $1,500,000,000 divided into 1,500,000,000 class A ordinary shares of U.S.$1 par value each (the USD Class A Non-Voting Ordinary Shares"). The holders of the USD Class A Non-Voting Ordinary Shares are not entitled to vote at Shareholders meetings of MSI plc.

(iv) U.S.$50,000,000 divided into 50,000,000 class C non-cumulative preference shares of U.S.$1 par value each (the "**USD Class C Non-Cumulative Preference Shares**"). The holders of the Class C Non-Cumulative Preference Shares are entitled to vote at shareholders meetings of MSI plc on the basis of one vote per shareholder within its class. The USD Class C Non-Cumulative Preference Shares as a class are entitled to 20% of the votes at shareholder meetings.

(v) U.S.$1,000,000,000 divided into 2,500,000,000 class D1 non-cumulative voting preference shares of U.S.$0.40 per value each (the "**USD Class D1 Non-Cumulative Voting Preference Shares**"). The holder of the Class D1 Non-Cumulative Voting Preference Shares are entitled to vote at Shareholders meetings of MSI plc within its class. The USD Class D1 Non-Cumulative Voting Preference Shares as a class are entitled to 10% of the votes at shareholder meetings.

Articles of Association

MSI plc is a public limited company with registered number 2068222.

Pursuant to the Companies Act 2006, MSI plc's objects are now unrestricted. The articles of association were last amended on 22 December 2011.

Selected Financial Information of Morgan Stanley & Co. International plc

The following table sets out the selected financial information of MSI plc in accordance with applicable law and International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union. Such information is derived from the audited reports and accounts of MSI plc as at 31 December 2012. The comparative figures reflected in the financial statements are from the audited reports and accounts of MSI plc as at 31 December 2011.

The financial information presented below should be read in conjunction with such reports and accounts and the notes thereto.

	31 Dec 2011	**31 Dec 2012**
Balance Sheet (*in $ millions*)		
Total Assets ………………………………………………	575,585	564,411
Total Liabilities and Equity …………………………………	575,585	564,411
Consolidated Income Statement *(in $ millions)*		
Net Gains On Financial Instruments Classified as Held For Trading ………………………………………………………	3,814	3717
Profit before tax………………………………………………	825	242
Profit for the year/period……………………………………	573	9

DESCRIPTION OF MORGAN STANLEY B.V.

1. INFORMATION ABOUT 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 (*Kamer van Koophandel*) for Amsterdam under number 34161590. It has its corporate seat at Amsterdam, The Netherlands and its offices are located at Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam Zuidoost, The Netherlands. Its telephone number is +31 20 57 55 600.

Registered office

MSBV's registered office is at Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam Zuidoost, The Netherlands. Its telephone number is +31 20 57 55 600.

Legal and commercial name

MSBV's legal and commercial name is Morgan Stanley B.V.

Legislation

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

2. OVERVIEW OF ACTIVITES

Principal Activities

MSBV's principal activity is the issuance of financial instruments and the hedging of obligations arising pursuant to such issuances.

Principal Markets

MSBV conducts its business from The Netherlands. All material assets of MSBV are obligations of (or securities issued by) one or more companies in the Morgan Stanley Group. 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.

3. ORGANIZATIONAL STRUCTURE

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

4. MANAGEMENT OF MSBV

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 Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuidoost, The Netherlands.

Name	*Title*	*Principal Outside Activity*
Z. Wu	Director	Executive Director, Morgan Stanley
H. Herrmann	Director	Executive Director, Morgan Stanley, Director, Fundlogic (Jersey) Limited, Director, Morgan Stanley Islamic Finance Limited
P.J.G de Reus	Director	Employee of TMF Netherlands B.V.
R.H.L. de Groot	Director	Employee of TMF Netherlands B.V.
TMF Management B.V.	Director	Dutch corporate service provider

Directors of TMF Management B.V.

R.W. de Koning	Director	Employee of TMF Netherlands B.V.
J.C.W. van Burg	Director	Employee of TMF Netherlands B.V.
F.W.J.J Welman	Director	Employee of TMF Netherlands B.V.

There are no potential conflicts of interests between any duties to MSBV of its directors and their private interests and/or other duties.

5. BOARD PRACTICE

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

MSBV qualifies as an organisation of public interest pursuant to Dutch and E.U. law. Morgan Stanley International Limited, a shareholder in MSBV, has an audit committee that complies with the applicable corporate governance rules and also functions as the audit committee of MSBV; accordingly, MSBV has therefore taken the exemption for groups and has not established an audit committee.

6. MAJOR SHAREHOLDERS

Archimedes Investments Cooperatieve U.A. (a Morgan Stanley Group company) holds the majority of shares in MSBV. Morgan Stanley International Holdings Inc. and Morgan Stanley International Limited each hold one share in MSBV. 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 of MSBV and MSBV earns a spread on all its issues of securities.

7. LEGAL PROCEEDINGS

There are no 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 which may have, or have had in the recent past, a significant effect on the financial position or profitability of MSBV.

8. ADDITIONAL INFORMATION

Auditors

Deloitte Accountants B.V., independent auditors and certified public accountants of Orlyplein 10, 1043 DP Amsterdam, P.O. Box 58110, 1040 HC Amsterdam, The Netherlands, a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*), have audited the financial statements of MSBV for the years ended 31 December 2011 and 31 December 2012 and unqualified opinions have been reported thereon.

This document does not contain any other information that has been audited by Deloitte Accountants B.V.

Trend Information

MSBV intends to continue issuing securities and entering into hedges in respect of such issues of securities. There has been no material adverse change in the prospects of MSBV since 31 December 2012.

Significant Change

There has been no significant change in the financial or trading position of MSBV since 31 December 2012.

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 EUR 100.

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. As well as everything pertaining to the foregoing, relating thereto or conductive thereto all in the widest sense of the word.

The articles of association were last amended on 31 May 2013.

9. FINANCIAL INFORMATION

Selected Financial Information

The profit after tax for the years ended 31 December 2012 and 31 December 2011 was EUR 3,679,000 and EUR 3,026,000 respectively. The profit before tax for the financial years ended 31 December 2012 and 31 December 2011 was EUR 4,875,000 and EUR 4,020,000 respectively.

The total assets of MSBV increased from EUR 4,187,365,000 at 31 December 2011 to EUR 6,519,685,000 at 31 December 2012 with total liabilities increasing from EUR 4,170,543,000 at 31 December 2011 to EUR 6,499,184,000 at 31 December 2012.

The financial information in respect of MSBV has been prepared in accordance with IFRS as adopted by the European Union for the years ended 31 December 2011 and 31 December 2012.

ANNEX I

SUBSIDIARIES OF MORGAN STANLEY
AS AT 31 DECEMBER 2012

Name	Country Name	Region / State
Morgan Stanley	United States	DE
Bayfine DE Inc.	United States	DE
Bayfine UK	United Kingdom	ENW
Bayfine DE LLC	United States	DE
Bayview Holding Ltd.	Cayman Islands	
Belmondo LLC	United States	DE
Cauca LLC	United States	DE
Corporate Equipment Supplies, Inc.	United States	DE
Cournot Holdings Inc.	United States	DE
Dean Witter Capital Corporation	United States	DE
Dean Witter Realty Inc.	United States	DE
Dean Witter Holding Corporation	United States	DE
Civic Center Leasing Corporation	United States	DE
Dean Witter Leasing Corporation	United States	DE
Realty Management Services Inc.	United States	DE
Dean Witter Reynolds Venture Equities Inc.	United States	DE
Early Adopter Fund Manager Inc.	United States	DE
Fuegos LLC	United States	DE
Fundlogic (Jersey) Limited	Jersey	
FV-I, Inc.	United States	DE
Bellevue Towers Condominiums, LLC	United States	DE
Japan Core Funding, Inc.	United States	DE
Jolter Investments Inc.	United States	DE
Morgan Stanley (Jersey) Limited	Jersey	
Morgan Stanley ABS Capital I Inc.	United States	DE
Morgan Stanley Altabridge Ltd.	Cayman Islands	
Morgan Stanley Amanu LLC	United States	DE
Morgan Stanley Moorea Inc.	United States	DE
Makatea JV Inc.	United States	DE
Morgan Stanley Pinaki Limited	Cayman Islands	
Morgan Stanley Raraka Limited	Cayman Islands	
Morgan Stanley Tepoto Limited	Cayman Islands	
Morgan Stanley Moorea Inc.	United States	DE
Morgan Stanley Tindur LLC	United States	DE
Morgan Stanley Snowdon Inc.	United States	DE
Morgan Stanley Asset Funding Inc.	United States	DE
Morgan Stanley Becketts LLC	United States	DE
Morgan Stanley Atlas, Inc.	United States	DE
Morgan Stanley Biscay LLC	United States	DE
Morgan Stanley Alpha Investments LLP	United Kingdom	ENW
Morgan Stanley Epsilon Investments Limited	United Kingdom	ENW
Morgan Stanley Alpha Investments LLP	United Kingdom	ENW
Morgan Stanley Plymouth Limited	Cayman Islands	
Morgan Stanley Viking LLC	United States	DE
Morgan Stanley Fastnet LLC	United States	DE
Morgan Stanley Humber LLC	United States	DE
Fitzroy Partnership	United States	DE
Rockall Partnership	United States	DE
Morgan Stanley Kite LLC	United States	DE
Morgan Stanley Firecrest LLC	United States	DE
Morgan Stanley Plover Limited	United Kingdom	ENW

Name	Country Name	Region / State
Morgan Stanley Puffin LLC	United States	DE
Morgan Stanley Viking LLC	United States	DE
Morgan Stanley Capital Group Inc.	United States	DE
Aegir Services International Ltd.	Bermuda	
Cayman Energy Ltd.	Cayman Islands	
Ghent Energy Limited	Cayman Islands	
Granite Wash LLC	United States	DE
Heidmar Group Inc.	United States	DE
Houston Bayport Energy LLC	United States	DE
Morgan Stanley Bay Shore LLC	United States	DE
Morgan Stanley Capital Group (Espana), S.L.U.	Spain	
Morgan Stanley Capital Group Czech Republic s.r.o.	Czech Republic	
Morgan Stanley Capital Group Energy Europe Limited	United Kingdom	ENW
Morgan Stanley Clean Development, LLC	United States	DE
Morgan Stanley Renewables Development I (Cayman) Limited	Cayman Islands	
Morgan Stanley Commodities Investment Limited	Cayman Islands	
Morgan Stanley Energy Development Corp.	United States	DE
Morgan Stanley Capital Group Cyprus Limited	Cyprus	
SEM Royalties LLC	United States	DE
Wellbore Capital, LLC	United States	DE
MS Permian LLC	United States	DE
MS TELA LLC	United States	DE
MS TGX LLC	United States	DE
MSDW Power Development Corp.	United States	DE
Cogeneracion Prat S.A.	Spain	
Minnewit B.V.	Netherlands	
Morgan Stanley Capital Group Cyprus Limited	Cyprus	
MS Solar Canada Holdings Inc.	United States	DE
MS Solar Holdings Canada ULC	Canada	AB
MS Solar Solutions Canada ULC	Canada	AB
MS Solar Investments LLC	United States	DE
MS Solar Holdings Inc.	United States	DE
MS Solar Investments LLC	United States	DE
MS Solar Solutions Corp.	United States	DE
Naniwa Energy LLC	United States	DE
Naniwa Terminal LLC	United States	DE
Naniwa Energy LLC	United States	DE
Van Twiller B.V.	Netherlands	
Navires Fuels Limited	United Kingdom	ENW
Navires Fuels SAS	France	
Pioneer Energy Holdings Pty Ltd	Australia	NSW
Pioneer Energy Pty Ltd	Australia	NSW
Power Contract Financing II, Inc.	United States	DE
Power Contract Financing II, L.L.C.	United States	DE
South Eastern Electric Development Corporation	United States	DE
South Eastern Generating Corporation	United States	DE
Sparta Energy Limited	Cayman Islands	
TransMontaigne Inc.	United States	DE
TransMontaigne Canada Holdings Inc.	Canada	QC
Canterm Canadian Terminals Inc.	Canada	QC
TMG Canadian Holdings L.L.C.	United States	DE
Olco Petroleum Group ULC (OLCO)	Canada	AB
TransMontaigne Marketing Canada Inc.	Canada	QC
TransMontaigne Product Services Inc.	United States	DE
Concept Petroleum, Inc.	United States	FL
TransMontaigne Services Inc.	United States	DE
TransMontaigne GP L.L.C.	United States	DE

Name	Country Name	Region / State
TransMontaigne Partners L.P.	United States	DE
TLP Finance Corp.	United States	DE
TransMontaigne Operating Company, L.P.	United States	DE
Razorback L.L.C.	United States	DE
TLP Operating Finance Corp.	United States	DE
TMOC Corp.	United States	DE
Penn Octane de Mexico S. de R.L. de C.V.	Mexico	
Tergas S. de R.L. de C.V.	Mexico	DE
Termatsal S. de R.L. de C.V.	Mexico	
TLP Mex L.L.C.	United States	DE
Penn Octane de Mexico S. de R.L. de C.V.	Mexico	
Tergas S. de R.L. de C.V.	Mexico	DE
Termatsal S. de R.L. de C.V.	Mexico	
TPME L.L.C.	United States	DE
TPSI Terminals L.L.C.	United States	DE
TransMontaigne Terminals L.L.C.	United States	DE
TransMontaigne Operating GP L.L.C.	United States	DE
TransMontaigne Operating Company, L.P.	United States	DE
Transworld Agricola Limited (Dissolved 15/01/13)	Isle of Man	
Utility Contract Funding II, LLC	United States	DE
Morgan Stanley Capital I Inc.	United States	DE
Morgan Stanley Capital Management, LLC	United States	DE
Morgan Stanley Domestic Holdings, Inc.	United States	DE
Morgan Stanley & Co. LLC	United States	DE
Corporate Services Support Corp.	United States	DE
Morgan Stanley Flexible Agreements Inc.	United States	DE
MS Alpha Holdings LLC	United States	DE
Morgan Stanley JV Holdings LLC	United States	DE
Morgan Stanley Smith Barney Holdings LLC	United States	DE
Alternative Investments Mgr, Ltd.	Cayman Islands	
Ceres Managed Futures LLC	United States	DE
CTA Capital LLC	United States	DE
Consulting Group Advisory Services LLC	United States	DE
LM Falcon Investment Strategies LLC	United States	DE
Peregrine Investments, LLC	United States	MD
Morgan Stanley Cayman Financing Services	Cayman Islands	
Morgan Stanley GWM Feeder Strategies LLC	United States	DE
Morgan Stanley HedgePremier GP LLC	United States	DE
Morgan Stanley Smith Barney FA Notes Holdings LLC	United States	DE
Morgan Stanley Smith Barney Financing LLC	United States	DE
Morgan Stanley Smith Barney Holdings (UK) Limited	United Kingdom	ENW
Morgan Stanley Private Wealth Management Limited	United Kingdom	ENW
Morgan Stanley Smith Barney LLC	United States	DE
Morgan Stanley Insurance Services Inc.	United States	DE
Morgan Stanley Smith Barney Insurance Services LLC	United States	DE
SBHU Life Agency, Inc.	United States	DE
Morgan Stanley Smith Barney Private Management II LLC	United States	DE
Morgan Stanley Smith Barney Private Management LLC	United States	DE
Morgan Stanley Smith Barney Venture Services LLC	United States	DE
Morgan Stanley Swiss Holdings GmbH	Switzerland	
Bank Morgan Stanley AG	Switzerland	
Morgan Stanley Wealth Management Australia Pty Ltd	Australia	WA
Bow Lane Nominees Pty. Ltd.	Australia	VIC
Bowyang Nominees Pty Ltd	Australia	NSW
Skeet Nominees Pty. Ltd.	Australia	VIC
Morgan Stanley Smith Barney Holdings LLC	United States	DE
MS Securities Services Inc.	United States	DE

Name	Country Name	Region / State
PI Co-Invest LLC	United States	DE
Prime Dealer Services Corp.	United States	DE
V2 Holdings (USA), Inc.	United States	DE
Gee Street Records, Inc.	United States	DE
V2 Records, Inc.	United States	DE
Morgan Stanley Capital Services LLC	United States	DE
Morgan Stanley Delta Holdings LLC	United States	NY
Morgan Stanley Bank, N.A.	United States	FED
Morgan Stanley Private Bank, National Association	United States	FED
Morgan Stanley International Holdings Inc.	United States	DE
Morgan Stanley International Incorporated	United States	DE
Morgan Stanley Kew Limited	Cayman Islands	
Morgan Stanley NLE, LLC	United States	DE
PDT Partners Fusion Fund, LLC	United States	DE
Pettingell LLC	United States	DE
PDT Partners GP, LLC	United States	DE
PDT Partners, LLC	United States	DE
PDT Partners (HK) Limited	Hong Kong	
PDT Partners UK I LTD	United Kingdom	ENW
PDT Partners UK, LLP	United Kingdom	ENW
PDT Partners UK II LTD	United Kingdom	ENW
PDT Partners UK, LLP	United Kingdom	ENW
Morgan Stanley Capital Partners III, Inc.	United States	DE
Morgan Stanley Capital REIT Inc.	United States	DE
Saxon Advance Receivables Company, Inc.	United States	DE
Morgan Stanley Capital REIT IV Inc.	United States	DE
Morgan Stanley Capital Trust III	United States	DE
Morgan Stanley Capital Trust IV	United States	DE
Morgan Stanley Capital Trust V	United States	DE
Morgan Stanley Capital Trust VI	United States	DE
Morgan Stanley Capital Trust VII	United States	DE
Morgan Stanley Capital Trust VIII	United States	DE
Morgan Stanley Commercial Financial Services, Inc.	United States	DE
Morgan Stanley JV Holdings LLC	United States	DE
Morgan Stanley Community Investments LLC	United States	DE
Morgan Stanley Content Corporation	United States	DE
Morgan Stanley Credit Products Ltd.	Cayman Islands	
Morgan Stanley Darica Funding, LLC	United States	DE
Ascension Loan Vehicle, LLC	United States	DE
Morgan Stanley Dean Witter Equity Funding, Inc.	United States	DE
Morgan Stanley Dean Witter International Incorporated	United States	DE
Dean Witter Reynolds GmbH	Germany	
Morgan Stanley (DWRRBS) Limited	United Kingdom	ENW
Morgan Stanley Derivative Products Inc.	United States	DE
Morgan Stanley Domestic Leasing Inc.	United States	DE
Morgan Stanley Durango LLC	United States	DE
Morgan Stanley Afdera Cayman Limited	Cayman Islands	
Morgan Stanley Ambasel LLC	United States	DE
Morgan Stanley Semaine S.a r.l.	Luxembourg	
Ras Dashen Cayman Limited	Cayman Islands	
Morgan Stanley Amba Alagi LLC	United States	DE
Morgan Stanley Ambasel LLC	United States	DE
Morgan Stanley Elan LLC	United States	DE
Cimarron Investments LLC	United States	DE
Riva Investments LLC	United States	DE
Morgan Stanley Emerging Markets Inc.	United States	DE
Inter Capital Alliance Asset Management Co., Ltd.	Thailand	

Name	Country Name	Region / State
Inter Capital Alliance Holding Limited	Thailand	
Inter Capital Alliance Asset Management Co., Ltd.	Thailand	
Inversiones Sudamerica Uno Ltda	Chile	
MS China 1 Limited	Cayman Islands	
MS China 3 Limited	Cayman Islands	
MS China 4 Limited	Cayman Islands	
MS China 5 Limited	Cayman Islands	
MSPI Hong Kong 1 Limited	Hong Kong	
Philippine Asset Investment (SPV-AMC), Inc.	Philippines	
Morgan Stanley Equity Services Inc.	United States	DE
Morgan Stanley Europa LLC	United States	DE
Morgan Stanley Elara Cayman Ltd.	Cayman Islands	
Morgan Stanley Eurydome Cayman Limited	Cayman Islands	
Morgan Stanley Callisto Cayman Ltd.	Cayman Islands	
Morgan Stanley Luxembourg Holdings S.a r.l.	Luxembourg	
Morgan Stanley Europe Reinsurance S.A.	Luxembourg	
Morgan Stanley Metis (Gibraltar) Limited	Gibraltar	
Morgan Stanley Global Reinsurance S.A.	Luxembourg	
Morgan Stanley Metis (Gibraltar) Limited	Gibraltar	
Morgan Stanley Ganymede Luxembourg S.a r.l.	Luxembourg	
Morgan Stanley Ananke Luxembourg S.a r.l.	Luxembourg	
Morgan Stanley Carme Luxembourg S.a r.l.	Luxembourg	
Morgan Stanley Eukelade Luxembourg S.a r.l.	Luxembourg	
Morgan Stanley Luxembourg International Reinsurance S.A.	Luxembourg	
Morgan Stanley Chaldene S.a r.l.	Luxembourg	
Morgan Stanley Metis (Gibraltar) Limited	Gibraltar	
Morgan Stanley Luxembourg Reinsurance S.A.	Luxembourg	
Morgan Stanley Metis (Gibraltar) Limited	Gibraltar	
Morgan Stanley Metis (Gibraltar) Limited	Gibraltar	
Morgan Stanley Himalia Cayman Limited	Cayman Islands	
Morgan Stanley Sinope Cayman Limited	Cayman Islands	
Morgan Stanley Adrastea Netherlands B.V.	Netherlands	
Morgan Stanley IO Cayman Limited	Cayman Islands	
Morgan Stanley Iocaste Cayman Limited	Cayman Islands	
Morgan Stanley Pasiphae Netherlands B.V.	Netherlands	
Morgan Stanley Leda Cayman Ltd.	Cayman Islands	
Morgan Stanley Financial Products Inc.	United States	DE
Morgan Stanley Fixed Income Ventures Inc.	United States	DE
Morgan Stanley Principal Investments, Inc.	United States	DE
JHP Holdings, LLC	United States	DE
JHP Pharmaceuticals, LLC	United States	DE
MHC Co-Invest Genpar	Cayman Islands	
MHC Co-Invest, LP	Cayman Islands	
Morgan Stanley Principal Investments Asia LLC	United States	DE
Morgan Stanley Principal Investments Europe LLC	United States	DE
Morgan Stanley Principal Investments Netherlands BV	Netherlands	
MS China 11 Limited	Cayman Islands	
MS China 8 Limited	Cayman Islands	
MSPI Mauritius 1 Limited	Mauritius	
Stadium Capital Financing Group LLC	United States	DE
Morgan Stanley Strategic Investments, Inc.	United States	DE
Eaux Vives Water Inc.	Canada	
Morgan Stanley Swiss Strategic Investments GmbH	Switzerland	
Morgan Stanley Fund Services Inc.	United States	DE
Morgan Stanley Fund Services (Bermuda) Ltd.	Bermuda	
Morgan Stanley Fund Services (Cayman) Ltd.	Cayman Islands	
Morgan Stanley Fund Services (Hong Kong) Limited	Hong Kong	

Name	Country Name	Region / State
Morgan Stanley Fund Services (Ireland) Limited	Ireland	
Morgan Stanley Fund Services (UK) Limited	United Kingdom	ENW
Morgan Stanley Fund Services USA LLC	United States	DE
Morgan Stanley Global Emerging Markets, Inc.	United States	DE
Morgan Stanley Global Funding Trust	United States	DE
Morgan Stanley Hedging Co. Ltd.	Cayman Islands	
Morgan Stanley International Holdings Inc.	United States	DE
Archimedes Investments Cooperatieve U.A.	Netherlands	
Morgan Stanley B.V.	Netherlands	
European Principal Assets Limited	United Kingdom	ENW
Psylon Holding Limited	Cyprus	
Volmar Holdings Limited	Cyprus	
Limited Liability Company Rinocenter	Russian Federation	
Fosbury Investments Cooperatieve U.A.	Netherlands	
Limited Liability Company Morgan Stanley Ukraine	Ukraine	
Morgan Stanley (Israel) Limited	Israel	
Morgan Stanley (Thailand) Limited	Thailand	
Morgan Stanley AB	Sweden	
Morgan Stanley Advantage Services Pvt. Ltd.	India	
Morgan Stanley Asia Holdings Limited	Cayman Islands	
Morgan Stanley Asia Pacific (Holdings) Limited	Cayman Islands	
Morgan Stanley Asia Holdings I Limited	Cayman Islands	
Morgan Stanley Hong Kong Limited	Hong Kong	
Morgan Stanley Asia Holdings Limited	Cayman Islands	
Morgan Stanley (Hong Kong) Holdings Limited	Hong Kong	
Morgan Stanley Asia Regional (Holdings) IV Limited	Cayman Islands	
Morgan Stanley Japan Holdings Co., Ltd.	Japan	
Morgan Stanley Hong Kong 1238 Limited	Hong Kong	
Inter Capital Alliance Asset Management Co., Ltd.	Thailand	
Inter Capital Alliance Holding Limited	Thailand	
Morgan Stanley Asia Regional (Holdings) IV Limited	Cayman Islands	
Morgan Stanley Asia Securities Products LLC	Cayman Islands	
Morgan Stanley Asia (Taiwan) Ltd.	Taiwan	
Morgan Stanley Asia Limited	Hong Kong	
Morgan Stanley Asia Products Limited	Cayman Islands	
Morgan Stanley Capital K.K.	Japan	
Morgan Stanley Hong Kong Securities Limited	Hong Kong	
Morgan Stanley Swallow Limited	United Kingdom	ENW
Hampshire Trading B.V.	Netherlands	
Lancashire Trading B.V.	Netherlands	
Wiltshire Trading B.V.	Netherlands	
Morgan Stanley Funding Limited	Jersey	
Yorkshire Trading B.V.	Netherlands	
Morgan Stanley Hong Kong 1239 Limited	Hong Kong	
Limited Liability Company Rinocenter	Russian Federation	
Morgan Stanley Hong Kong 1238 Limited	Hong Kong	
Morgan Stanley Information Technology (Shanghai) Limited	China	
Morgan Stanley Services Pty Limited	Australia	VIC
Morgan Stanley Asia Regional (Holdings) III LLC	Cayman Islands	
Morgan Stanley (Singapore) Holdings Pte. Ltd.	Singapore	
Morgan Stanley Asia (Singapore) Pte.	Singapore	
PT. Morgan Stanley Asia Indonesia	Indonesia	
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	Malaysia	
Morgan Stanley Singapore Pte. Ltd.	Singapore	

Name	Country Name	Region / State
Morgan Stanley Dean Witter Japan Group, Ltd.	Cayman Islands	
Morgan Stanley Investment Holdings Jersey Limited	Jersey	
Norfolk Trading B.V.	Netherlands	
Wiltshire Trading B.V.	Netherlands	
MSDW-JL Holdings II Limited	Cayman Islands	
MS Remora Ltd.	Cayman Islands	
MSJL Holdings 4682 Limited	Cayman Islands	
MSJL Holdings Limited	Cayman Islands	
Morgan Stanley Japan Holdings Co., Ltd.	Japan	
Jipang Mortgage Finance Co., Ltd.	Japan	
Morgan Stanley Capital Group Japan Co., Ltd.	Japan	
Morgan Stanley Capital K.K.	Japan	
Morgan Stanley Credit Products Japan Co., Ltd.	Japan	
TM, Limited	Japan	
Morgan Stanley Investment Management (Japan) Co., Ltd.	Japan	
Morgan Stanley Japan Business Group Co., Ltd.	Japan	
Morgan Stanley Japan Group Co., Ltd.	Japan	
Morgan Stanley MUFG Securities Co., Ltd.	Japan	
Morgan Stanley SPG KK	Japan	
MS Real Estate Advisors Co., Ltd.	Japan	
Panorama Hospitality,K.K.	Japan	
MS CYM Preferred Ltd.	Cayman Islands	
MSJS Preferred YK	Japan	
Morgan Stanley Japan Holdings Co., Ltd.	Japan	
Morgan Stanley Bosphorus Limited	Cayman Islands	
MSDW Birkdale Limited	Cayman Islands	
MSDW Muirfield Limited	Cayman Islands	
Morgan Stanley Asia Pacific Services Limited	United Kingdom	ENW
Morgan Stanley Asset Management S.A.	Luxembourg	
Morgan Stanley Australia Finance Pty Limited	Australia	NSW
Morgan Stanley (Australia) Real Estate Holdings Pty Limited	Australia	VIC
Morgan Stanley International Real Estate Limited	Australia	VIC
Morgan Stanley B.V.	Netherlands	
Morgan Stanley Bank AG	Germany	
Morgan Stanley Business Consulting (Shanghai) Limited	China	
Morgan Stanley Canada Limited	Canada	
Morgan Stanley Capital (Luxembourg) S.A.	Luxembourg	
Morgan Stanley Capital, S.A. de C.V.	Mexico	
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	China	
Morgan Stanley Dean Witter Financial Holdings, LLC	United States	DE
Morgan Stanley Hong Kong Finance Limited (In Members' Voluntary Liquidation)	Hong Kong	
Morgan Stanley Hong Kong Limited	Hong Kong	
Morgan Stanley Hungary Analytics Limited	Hungary	
Morgan Stanley International Limited	United Kingdom	ENW
Archimedes Investments Cooperatieve U.A.	Netherlands	
Morgan Stanley B.V.	Netherlands	
Morgan Stanley Group (Europe)	United Kingdom	ENW
Advantage Home Loans Limited (in Member's Voluntary Liquidation)	United Kingdom	ENW
Bayfine UK Products	United Kingdom	ENW
Morgan Stanley & Co. International plc	United Kingdom	ENW
Morgan Stanley (Europe) Limited (in Member's Voluntary Liquidation)	United Kingdom	ENW
Morgan Stanley Angel Limited	Cayman Islands	
Suffolk Trading B.V.	Netherlands	
V2 Music (Holdings) Limited	United Kingdom	ENW
Morgan Stanley Bank International Limited	United Kingdom	ENW

Name	Country Name	Region / State
Morgan Stanley Bank International (China) Limited	China	
Morgan Stanley Capital Group Limited	United Kingdom	ENW
Morgan Stanley Finance (C.I.) Limited	Jersey	
Morgan Stanley Finance Limited	United Kingdom	ENW
Morgan Stanley & Co. International plc	United Kingdom	ENW
Morgan Stanley Gala Limited	Jersey	
Morgan Stanley Investment Management Limited	United Kingdom	ENW
Morgan Stanley Investments (UK)	United Kingdom	ENW
Morgan Stanley Investment Management Limited	United Kingdom	ENW
Morgan Stanley Investment Management (ACD) Limited	United Kingdom	ENW
Morgan Stanley JY Holdings Limited	United Kingdom	ENW
Morgan Stanley JY Limited (in Member's Voluntary Liquidation)	United Kingdom	ENW
Morgan Stanley Strategic Funding Limited	United Kingdom	ENW
Morgan Stanley UK Group	United Kingdom	ENW
Bayfine UK Products	United Kingdom	ENW
Cabot 2 Limited	United Kingdom	ENW
Morgan Stanley & Co. International plc	United Kingdom	ENW
Cabot 38 Limited	United Kingdom	ENW
Morgan Stanley (France) SAS	France	
Morgan Stanley Bowline Limited	United Kingdom	ENW
Morgan Stanley Elz GmbH	Germany	
Morgan Stanley Equity Finance (Denmark) ApS	Denmark	
Morgan Stanley Equity Financing Services (Sweden) AB	Sweden	
Morgan Stanley Havel GmbH	Germany	
Morgan Stanley Mosel GmbH (merged 31/12/2011)	Germany	
Morgan Stanley Humboldt Investments Limited	United Kingdom	ENW
Clearcreek, S.L.	Spain	
Morgan Stanley Kochi Limited	Cayman Islands	
Camomile Liffey Investments (UK) Limited	Cayman Islands	
Kerala Investments Limited	Cayman Islands	
Morgan Stanley Brunton S.a r.l.	Luxembourg	
Morgan Stanley Cork Limited	Cayman Islands	
Morgan Stanley Durham Investments Limited	United Kingdom	ENW
Honeybourne Holdings Limited (in liquidation)	Malta	
Morgan Stanley Cumbria Investments	United Kingdom	ENW
Morgan Stanley Dorset Investments Limited	United Kingdom	ENW
Morgan Stanley Finchley	Gibraltar	
Morgan Stanley Hercules S.a r.l.	Luxembourg	
Morgan Stanley Hoxne	Gibraltar	
Morgan Stanley Leitrim S.a r.l.	Luxembourg	
Morgan Stanley Lyra S.a r.l.	Luxembourg	
Morgan Stanley Propus	Gibraltar	
Morgan Stanley Putney	Gibraltar	
Morgan Stanley Richmond	Gibraltar	
Morgan Stanley Rosetta Investments S.a r.l.	Luxembourg	
Morgan Stanley Shannon Limited	Cayman Islands	
Morgan Stanley Temple	Gibraltar	
Morgan Stanley Vindolanda Equity S.a r.l.	Luxembourg	
Morgan Stanley Waterloo Limited	Cayman Islands	
Newburgh Investments Limited (in members' voluntary liquidation)	United Kingdom	
Morgan Stanley Langton Limited	United Kingdom	ENW
Morgan Stanley Equity Investments (Luxembourg)	Ireland	
Morgan Stanley Heythorp Investments	Ireland	
Morgan Stanley Equity Holding (Netherlands) B.V.	Netherlands	
Morgan Stanley Equity Investments (UK) Limited	Cayman Islands	
Morgan Stanley Longcross Limited	United Kingdom	ENW
Morgan Stanley Bramley Investments Limited	United Kingdom	ENW

Name	Country Name	Region / State
Elborough Investments LLP	United Kingdom	ENW
Wohler Investments LLP	United Kingdom	ENW
Morgan Stanley Cooper Investments Limited	United Kingdom	ENW
Morgan Stanley Derivative Products (Netherlands) B.V.	Netherlands	
Drake II Investments Limited	Cayman Islands	
Morgan Stanley Equity Finance (Malta) Limited	Malta	
Morgan Stanley Equity Financing Limited	United Kingdom	ENW
Morgan Stanley Heythorp Investments	Ireland	
Morgan Stanley Maple Investments Limited	United Kingdom	ENW
Wohler Investments LLP	United Kingdom	ENW
Morgan Stanley Montrose Investments Limited	United Kingdom	ENW
Morgan Stanley Mandarin Limited (in members' voluntary liquidation)	United Kingdom	ENW
Morgan Stanley Rivelino Investments Limited	United Kingdom	ENW
Morgan Stanley Dolor Limited	Cayman Islands	
Morgan Stanley Tostao Limited	Cayman Islands	
Morgan Stanley Silvermere Limited	United Kingdom	ENW
Hanger Straight Limited	Cayman Islands	
Morgan Stanley Bowline Limited	United Kingdom	ENW
Morgan Stanley Penberthy Limited	United Kingdom	ENW
Morgan Stanley Hampstead Limited	Cayman Islands	
Morgan Stanley Northcote Investments Limited	United Kingdom	ENW
Borderwijk Cooperatieve U.A.	Netherlands	
Morgan Stanley Victoria Limited	Cayman Islands	
Morgan Stanley Harlequin Investments Limited (in members' voluntary liquidation)	United Kingdom	ENW
Morgan Stanley Pintail Investments Limited (in members' voluntary liquidation)	United Kingdom	ENW
Shavano Cooperatieve U.A.	Netherlands	
Morgan Stanley Strategic Investments Limited	United Kingdom	ENW
Morgan Stanley Taiwan Limited	Taiwan	
Morgan Stanley Turnberry Limited	United Kingdom	ENW
Morgan Stanley Montgomerie Investments Limited	United Kingdom	ENW
Alverstone Investments LLP	United Kingdom	ENW
Morgan Stanley Equity Derivative Services (Luxembourg) S.a r.l.	Luxembourg	
Morgan Stanley Langtree Investments B.V.	Netherlands	
Morgan Stanley Mallard Investments Limited	United Kingdom	ENW
Morgan Stanley Millbrae Investments B.V.	Netherlands	
Morgan Stanley Medway Investments Limited	United Kingdom	ENW
Alverstone Investments LLP	United Kingdom	ENW
Morgan Stanley Raleigh Investments Limited	United Kingdom	ENW
Elborough Investments LLP	United Kingdom	ENW
Morgan Stanley Weaver S.a r.l.	Luxembourg	
Morgan Stanley Cadzand III Limited	Cayman Islands	
Morgan Stanley Oostburg and Partners S.e c.s.	Luxembourg	
Morgan Stanley Oostburg and Partners S.e c.s.	Luxembourg	
Morgan Stanley Oostburg B.V.	Netherlands	
Morgan Stanley Oostburg and Partners S.e c.s.	Luxembourg	
Morgan Stanley Oostburg and Partners S.e c.s.	Luxembourg	
Ramey S.a r.l.	Luxembourg	
Morgan Stanley Waterloo Limited	Cayman Islands	
Norwegian Energy Limited	United Kingdom	ENW
Morgan Stanley & Co. Limited	United Kingdom	ENW
East Sussex Financing Limited	Jersey	
Cottenden Financing Unlimited	Jersey	
Morgan Stanley Amalthea UK Limited	United Kingdom	ENW
Morgan Stanley Investments (UK)	United Kingdom	ENW
Morgan Stanley Securities Limited	United Kingdom	ENW
Morstan Nominees Limited	United Kingdom	ENW
Morgan Stanley Services (UK) Limited	United Kingdom	ENW

Name	Country Name	Region / State
Morgan Stanley & Co. International plc	United Kingdom	ENW
Morgan Stanley UK Limited	United Kingdom	ENW
Morgan Stanley Pension Trustee Limited	United Kingdom	ENW
Morgan Stanley Trustee Limited	United Kingdom	ENW
Morgan Stanley Wertpapiere GmbH	Germany	
OOO Morgan Stanley Bank	Russian Federation	
Morgan Stanley Strategic Funding Limited	United Kingdom	ENW
Morgan Stanley & Co. International plc	United Kingdom	ENW
Morgan Stanley Investment Consultancy (Shanghai) Limited	China	
Morgan Stanley Investment Management (Australia) Pty Limited	Australia	VIC
Morgan Stanley Investment Management (Korea) Limited	Korea, Republic of	
Morgan Stanley Investment Management Consultancy (Shanghai) Limited	China	
Morgan Stanley Investments (Mauritius) Limited	Mauritius	
Morgan Stanley Japan Limited	Cayman Islands	
Morgan Stanley Jubilee Investments Limited	United Kingdom	ENW
Morgan Stanley UK Financing II LP	United Kingdom	
Morgan Stanley Luxembourg Financing II S.a r.l	Luxembourg	
Morgan Stanley Management Service (Shanghai) Limited	China	
Morgan Stanley Mauritius Company Limited	Mauritius	
Alanoushka Finlease and Investments Private Limited	India	
Morgan Stanley Asia Regional (Holdings) II LLC	Cayman Islands	
Morgan Stanley India Capital Private Limited	India	
Alanoushka Finlease and Investments Private Limited	India	
Morgan Stanley India Company Private Limited	India	
Morgan Stanley India Financial Services Private Limited	India	
Morgan Stanley India Primary Dealer Private Limited	India	
Morgan Stanley India Securities Private Limited	India	
Morgan Stanley India Services Private Limited	India	
Morgan Stanley India Primary Dealer Private Limited	India	
Morgan Stanley India Securities Private Limited	India	
Morgan Stanley India Capital Private Limited	India	
Morgan Stanley India Company Private Limited	India	
Morgan Stanley India Capital Private Limited	India	
Morgan Stanley India Financial Services Private Limited	India	
Morgan Stanley India Services Private Limited	India	
Morgan Stanley Investment Management Private Limited	India	
MSIM Global Support and Technology Services Private Limited	India	
Morgan Stanley Menkul Degerler A.S.	Turkey	
Morgan Stanley Middle East Inc.	United States	DE
Morgan Stanley Saudi Arabia	Saudi Arabia	
Morgan Stanley Mortgage Servicing Limited	United Kingdom	ENW
Morgan Stanley México, Casa de Bolsa, S.A. de C.V.	Mexico	
Morgan Stanley Ock	Gibraltar	
Morgan Stanley Pacific Limited	Hong Kong	
Morgan Stanley (China) Private Equity Investment Management Co., Ltd.	China	
Hangzhou Haergai Investment Consultancy Partnership Entity (Limited Partnership)	China	
Hangzhou Morgan Stanley Investment Consulting Partnership Enterprise, L.P.	China	
Morgan Stanley Investment Consultancy (Beijing) Company Limited	China	
Morgan Stanley Pacific Services Limited	United Kingdom	ENW
Morgan Stanley Poggio Secco Limited	Cayman Islands	
Alpino Investments Limited	Cayman Islands	
Morgan Stanley Clare S.a r.l.	Luxembourg	
Alpino Investments Limited	Cayman Islands	
Morgan Stanley San Donato S.a r.l.	Luxembourg	
Morgan Stanley Private Equity Asia Limited	Hong Kong	
Morgan Stanley Private Equity Advisory (Beijing) Limited	China	
Morgan Stanley Private Equity Management Korea, Ltd.	Korea, Republic of	

Name	Country Name	Region / State
Morgan Stanley Real Estate Investment GmbH	Germany	
Morgan Stanley San Donato S.a r.l.	Luxembourg	
Alpino Investments Limited	Cayman Islands	
Morgan Stanley Syrah Two Limited	Cayman Islands	
Morgan Stanley Donegan Limited	Cayman Islands	
Morgan Stanley SGR S.p.A.	Italy	
Morgan Stanley South Africa (Proprietary) Limited	South Africa	
Morgan Stanley Spanish Holdings S.L.	Spain	
Morgan Stanley S.V., S.A.U.	Spain	
Morgan Stanley Trading Beteiligungs-GmbH	Germany	
MS China 16 Limited	Cayman Islands	
MS Equity Financing Services (Luxembourg) S.a.r.l.	Luxembourg	
Morgan Stanley Cadzand II	Gibraltar	
Morgan Stanley Knightsbridge	Gibraltar	
Morgan Stanley Norton Investments Limited	United Kingdom	ENW
MS Gamma Holdings LLC	United States	DE
Morgan Stanley Smith Barney Holdings LLC	United States	DE
MSAM/Kokusai (Cayman Islands), Inc.	Cayman Islands	
MSAM/Kokusai II (Cayman Islands), Inc.	Cayman Islands	
MSDW Finance (Netherlands) B.V.	Netherlands	
MSL Incorporated	United States	DE
Banco Morgan Stanley S.A.	Brazil	
Limited Liability Company Morgan Stanley Ukraine	Ukraine	
Morgan Stanley (Hungary) Financial Services Limited Liability Company	Hungary	
Morgan Stanley Administradora de Carteiras S.A.	Brazil	
Morgan Stanley Advantage Services Pvt. Ltd.	India	
Morgan Stanley Asia Limited	Hong Kong	
Morgan Stanley Asset Management S.A.	Luxembourg	
Morgan Stanley Capital (Luxembourg) S.A.	Luxembourg	
Morgan Stanley Capital Holdings	United Kingdom	ENW
Morgan Stanley Capital, S.A. de C.V.	Mexico	
Morgan Stanley Corretora de Titulos e Valores Mobiliarios S.A.	Brazil	
Morgan Stanley Hong Kong Securities Limited	Hong Kong	
Morgan Stanley Luxembourg Reinsurance S.A.	Luxembourg	
Morgan Stanley Menkul Degerler A.S.	Turkey	
Morgan Stanley México, Casa de Bolsa, S.A. de C.V.	Mexico	
Morgan Stanley Prestacao de Servicos e Comercio de Commodities Ltda.	Brazil	
Morgan Stanley Swiss Strategic Investments GmbH	Switzerland	
Morgan Stanley Uruguay Ltda.	Uruguay	
MSIM Global Support and Technology Services Private Limited	India	
PT. Morgan Stanley Indonesia	Indonesia	
PT. Morgan Stanley Asia Indonesia	Indonesia	
PT. Morgan Stanley Indonesia	Indonesia	
Morgan Stanley International Incorporated	United States	DE
Morgan Stanley (Australia) Holdings Pty Limited	Australia	NSW
Morgan Stanley (Australia) Securities Holdings Pty Limited	Australia	VIC
Morgan Stanley Australia Securities Limited	Australia	NSW
Morgan Stanley Australia Securities (Nominee) Pty Limited	Australia	NSW
Morgan Stanley (Thailand) Limited	Thailand	
Morgan Stanley Australia Limited	Australia	NSW
Morgan Stanley Group (Europe)	United Kingdom	ENW
Morgan Stanley Hong Kong Finance Limited (In Members' Voluntary Liquidation)	Hong Kong	
Morgan Stanley International Finance S. A.	Luxembourg	
Morgan Stanley Capital Holdings	United Kingdom	ENW
Morgan Stanley UK Financing I LP	United Kingdom	
Morgan Stanley Luxembourg Financing I S.a r.l	Luxembourg	
Morgan Stanley International Holdings Inc.	United States	DE

Name	Country Name	Region / State
Morgan Stanley International Insurance Ltd.	Bermuda	
Peconic Indemnity Company	United States	AZ
Morgan Stanley Latin America Incorporated	United States	DE
Banco Morgan Stanley S.A.	Brazil	
Morgan Stanley Administradora de Carteiras S.A.	Brazil	
Morgan Stanley Capital (Luxembourg) S.A.	Luxembourg	
Morgan Stanley Corretora de Titulos e Valores Mobiliarios S.A.	Brazil	
Morgan Stanley Prestacao de Servicos e Comercio de Commodities Ltda.	Brazil	
Morgan Stanley Uruguay Ltda.	Uruguay	
Morgan Stanley Menkul Degerler A.S.	Turkey	
Morgan Stanley Reinsurance Ltd.	Bermuda	
Morgan Stanley UK Capital Limited (in members' voluntary liquidation)	United Kingdom	ENW
Morgan Stanley UK Group	United Kingdom	ENW
MSDW Investment Holdings (US) LLC	United States	DE
Cabot 1 Limited	United Kingdom	ENW
Morgan Stanley Investment Holdings Jersey Limited	Jersey	
Morgan Stanley UK Trader	United Kingdom	ENW
Morgan Stanley Corporate Trader	United Kingdom	ENW
Morgan Stanley Equity Trader	United Kingdom	ENW
Morgan Stanley Financial Trader	United Kingdom	ENW
Morgan Stanley Weser GmbH	Germany	
Morgan Stanley Equity Trader	United Kingdom	ENW
MSDW Investment Holdings (UK) Limited	United Kingdom	ENW
Cabot 1 Limited	United Kingdom	ENW
Cornwall Financing UK Limited	Jersey	
Honeybourne Holdings Limited (in liquidation)	Malta	
Morgan Stanley Cumbria Investments	United Kingdom	ENW
Morgan Stanley Sandpiper Limited	United Kingdom	ENW
MSDW Investments (Cayman) Limited	Cayman Islands	
MSDWIH Limited	Cayman Islands	
SPV Columbus Srl	Italy	
Morgan Stanley Investment Management Inc.	United States	DE
Morgan Stanley AIP Funding Inc.	United States	DE
Morgan Stanley Alternative Investments LLC	United States	DE
AIP Mbar SLP LP	United States	DE
AIP MPI Partners GP LP	United States	DE
Flint Capital Partners GP LP	United States	DE
Flint Capital Partners SLP Ltd.	Cayman Islands	
GTB Capital Partners GP LP	United States	DE
Morgan Stanley AIP (Cayman) GP Ltd.	Cayman Islands	
Morgan Stanley CHFS (International) GP Limited	Cayman Islands	
Morgan Stanley AIP Falconer 2010 GP LP	United States	DE
Morgan Stanley AIP GP LP	United States	DE
Morgan Stanley Alternative Investment Partners LP	United States	DE
Morgan Stanley AIP Phoenix 2009 GP LP	United States	DE
Morgan Stanley EPMF I GP LP	United States	DE
Morgan Stanley GDOF GP LP	United States	DE
Morgan Stanley GSOF GP LP	United States	DE
Morgan Stanley GSOF SLP Ltd.	Cayman Islands	
Morgan Stanley GSOF II GP LP	United States	DE
Morgan Stanley PMF III GP LP	United States	DE
Morgan Stanley PMF IV GP LP	United States	DE
Morgan Stanley PMF IV SLP Ltd.	Cayman Islands	
Morgan Stanley PMF V GP LP	United States	DE
Morgan Stanley PMF V SLP Ltd.	Cayman Islands	
Morgan Stanley SCRSIC Strategic Partnership Fund GP Inc.	United States	DE
NPS Partners (North America) GP LP	United States	DE

Name	Country Name	Region / State
Morgan Stanley Distribution, Inc	United States	PA
Morgan Stanley Services Company Inc.	United States	DE
Morgan Stanley Leveraged Equity Fund II, Inc.	United States	DE
Morgan Stanley Leveraged Equity Holdings Inc.	United States	DE
Morgan Stanley Life Holding Incorporated	United States	DE
Longevity Insurance Company	United States	TX
Morgan Stanley Mayak Limited	Cayman Islands	
Morgan Stanley Mortgage Capital Holdings LLC	United States	NY
Morgan Stanley Asset Capital Inc.	United States	DE
Morgan Stanley Residential Mortgage Inc.	United States	DE
Saxon Capital, Inc.	United States	MD
Saxon Asset Securities Company	United States	VA
Saxon Capital Holdings, Inc.	United States	DE
SCI Services, Inc.	United States	VA
Saxon Funding Management LLC	United States	DE
Saxon Securitized Assets LLC	United States	DE
Saxon Mortgage Services, Inc.	United States	TX
Saxon Mortgage, Inc.	United States	VA
Morgan Stanley Municipal Funding Inc.	United States	DE
Morgan Stanley Overseas Services (Jersey) Limited	Jersey	
Morgan Stanley Preferred Strategies Inc.	United States	DE
MORGAN STANLEY PRINCIPAL FUNDING, INC.	United States	DE
Morgan Stanley (Hungary) Financial Services Limited Liability Company	Hungary	
SPV Columbus Srl	Italy	
Morgan Stanley Principal Strategies, Inc.	United States	DE
Morgan Stanley Private Equity Asia, Inc.	United States	DE
Morgan Stanley Real Estate Advisor, Inc.	United States	DE
MSREA Holdings, Inc.	United States	DE
MSREA Holdings, LLC	United States	DE
MSREA LL Holdings, LLC	United States	DE
MSREA Holdings, LLC	United States	DE
Morgan Stanley Real Estate F Funding, Inc.	United States	DE
Morgan Stanley Real Estate F Funding Partner, Inc.	United States	DE
Morgan Stanley Real Estate F International Funding, L.P.	United States	DE
Morgan Stanley Real Estate Funding II, Inc.	United States	DE
Morgan Stanley Real Estate Funding II, L.P.	United States	DE
MS Moon Holdings LLC	United States	DE
Crescent Real Estate Capital GP, LLC	United States	DE
Crescent Real Estate Capital, L.P.	United States	DE
One Village Place LLC	United States	DE
DBFLA Services LLC	United States	DE
Morgan Stanley Real Estate Investment Management II, Inc.	United States	DE
MSREF II-CO, L.L.C.	United States	DE
Morgan Stanley Real Estate Investment Management Inc.	United States	DE
Morgan Stanley Real Estate Fund, Inc.	United States	DE
MSREF I, L.L.C.	United States	DE
Morgan Stanley Realty Incorporated	United States	DE
BH-MS Realty Inc.	United States	DE
Brooks Harvey & Co., Inc.	United States	DE
Dean Witter Global Realty Inc.	United States	DE
Japan Realty Finance Company II	Cayman Islands	
Morgan Stanley Properties Corso Venezia Srl (in liquidazione)	Italy	
Morgan Stanley Properties, Inc.	United States	DE
Morgan Stanley Capital (Real Estate) Pte. Ltd.	Singapore	
Morgan Stanley Properties (Mauritius) India	Mauritius	
Morgan Stanley Properties India Real Estate Management Private Limited	India	
Morgan Stanley India Capital Private Limited	India	

Name	Country Name	Region / State
Morgan Stanley Properties Corso Venezia Srl (in liquidazione)	Italy	
Morgan Stanley Properties France SAS	France	
Morgan Stanley Properties Germany GmbH	Germany	
Morgan Stanley Properties Hong Kong Limited	Hong Kong	
Morgan Stanley Properties India Real Estate Management Private Limited	India	
MSP China Holdings Limited	Cayman Islands	
Morgan Stanley Properties (China) Co., Ltd	China	
Morgan Stanley Properties Advisory Corp. Limited	Cayman Islands	
Beijing Kaili Assets Servicing Co., Ltd	China	
Panorama Hospitality Global, Inc.	United States	DE
Panorama Hospitality Limited (in Member's Voluntary Liquidation)	United Kingdom	ENW
MS Japan REIT Holding KK	Japan	
Tokyo Realty Investment Company	Cayman Islands	
Tokyo Realty Investment Company II	Cayman Islands	
Japan Realty Holding Company II	Cayman Islands	
Morgan Stanley Renewables Inc.	United States	DE
Morgan Stanley Biomass LLC	United States	DE
Morgan Stanley BrightSource LLC	United States	DE
Solar Partners I, LLC	United States	DE
Morgan Stanley Geothermal LLC	United States	DE
Morgan Stanley Renewable Development Fund LLC	United States	DE
Third Planet Windpower, LLC	United States	DE
Morgan Stanley Wind LLC	United States	DE
MS Greenrock LLC	United States	DE
Carson Solar I LLC	United States	DE
MS Greenrock Holdings Inc.	United States	DE
MS Solar I LLC	United States	DE
MF Mesa Lane LLC	United States	DE
MS SolarCity LLC	United States	DE
Solar Star California III, LLC	United States	DE
Solar Star California IX, LLC	United States	DE
Solar Star California V, LLC	United States	DE
Solar Star California VI, LLC	United States	DE
Solar Star WMT I, LLC	United States	DE
MS Wind II LLC	United States	DE
A4 Wind 1 LLC	United States	DE
A4 Wind 2 LLC	United States	DE
Gear Wind LLC	United States	DE
Wind Joint Venture LLC	United States	DE
Morgan Stanley Risk Services LLC	United States	DE
Morgan Stanley SECAP Funding, LLC	United States	DE
Morgan Stanley Secured Financing LLC	United States	DE
Morgan Stanley Senior Funding, Inc.	United States	DE
Inversiones Sudamerica Uno Ltda	Chile	
Morgan Stanley European Funding, Inc.	United States	DE
Morgan Stanley European Leveraged Products, Inc.	United States	DE
Morgan Stanley MSSF LLC	United States	DE
Tenedora Dalia, S.A. de C.V.	Mexico	
Morgan Stanley Senior Funding (Capital), Inc.	United States	DE
Morgan Stanley Senior Funding (Nova Scotia) Co.	Canada	
MSSFG (SPV-AMC), Inc.	Philippines	
Tenedora Dalia, S.A. de C.V.	Mexico	
Ventura Holdings, Inc.	United States	DE
Ventura Holdings NJ, Inc.	United States	DE
Ventura AC LLC	United States	NJ
Ventura Property Management, LLC	United States	DE
Ventura Ohio, LLC	United States	DE

Name	Country Name	Region / State
Ventura Utah, LLC	United States	DE
Ventura Opportunities, LLC	United States	DE
Ventura Property Management, LLC	United States	DE
Morgan Stanley Services Canada Holding Corp.	United States	DE
Morgan Stanley Services Canada Corp.	Canada	NS
Morgan Stanley Services Inc.	United States	DE
Morgan Stanley Special Situations Group Inc.	United States	DE
Morgan Stanley Stingray LLC	United States	DE
Morgan Stanley Syrah One Limited	Cayman Islands	
Morgan Stanley Syrah Two Limited	Cayman Islands	
Morgan Stanley Tindur LLC	United States	DE
Morgan Stanley Tower, LLC	United States	DE
MS Financing Inc.	United States	DE
Broadway 522 Fifth JV LLC	United States	DE
GHY Capital II B.V.	Netherlands	
Morgan Stanley 1585 Broadway LLC	United States	DE
Morgan Stanley 750 Building Corp.	United States	DE
Broadway 522 Fifth JV LLC	United States	DE
GHY Capital B.V.	Netherlands	
Morgan Stanley Menkul Degerler A.S.	Turkey	
MS Beta Holdings LLC	United States	DE
Morgan Stanley JV Holdings LLC	United States	DE
MS Harrison LLC	United States	DE
MS PDT Fixed Assets, LLC	United States	DE
Morgan Stanley Venture Capital III, Inc.	United States	DE
Morstan Development Company, Inc.	United States	DE
MR Ventures Inc.	United States	DE
MS 10020, Inc.	United States	DE
Morgan Stanley (Thailand) Limited	Thailand	
Morgan Stanley Menkul Degerler A.S.	Turkey	
MS Debt Opportunities Corp.	United States	DE
MS Equity Products (Luxembourg) S.a.r.l.	Luxembourg	
Morgan Stanley Foreign Complex Trust	United States	DE
Morgan Stanley Moselle S.a.r.l	Luxembourg	
Morgan Stanley Norton Investments Limited	United Kingdom	ENW
MS Hawk I LLC	United States	DE
MS Holdings Incorporated	United States	DE
Morgan Stanley ARS Funding Inc.	United States	DE
Morgan Stanley Hedge Fund Partners Cayman Ltd.	Cayman Islands	
Morgan Stanley HFP Investment Inc	United States	DE
Morgan Stanley IMDCP Funding, LLC	United States	DE
Morgan Stanley Infrastructure Holdings Inc.	United States	DE
Morgan Stanley Infrastructure Inc.	United States	DE
Morgan Stanley Infrastructure GP LP	United States	DE
Morgan Stanley Infrastructure SLP, LLC	United States	DE
Morgan Stanley Infrastructure SLP, L.P.	Cayman Islands	
MSIP Agatha Co-Investment GP Limited	Cayman Islands	
Morgan Stanley Infrastructure MEA Fund Inc.	United States	DE
Morgan Stanley Merchant Banking Insurance Holdings, LLC	United States	DE
Morgan Stanley Merchant Banking Insurance Company	United States	VT
Morgan Stanley Private Equity Asia III, Inc.	United States	DE
Morgan Stanley Private Equity Asia III, L.L.C.	United States	DE
Morgan Stanley Private Equity Asia IV, Inc.	United States	DE
Morgan Stanley Private Equity Asia IV, L.L.C.	United States	DE
MSPEA SLP IV, L.L.C.	United States	DE
Morgan Stanley Real Estate Securities Global Best Ideas GP Inc.	United States	DE
MS Alternatives Funding, Inc.	United States	DE

Name	Country Name	Region / State
Morgan Stanley Capital Partners V Funding LP	United States	DE
MS Alternatives Funding Partner, Inc.	United States	DE
MS Alternatives Holding C Inc.	United States	DE
MS Alternatives Holding C (Cayman) Ltd.	Cayman Islands	
MS Alternatives Holding D Inc.	United States	DE
MS ARS Holding A Inc.	United States	DE
MS ARS Holding B Inc.	United States	DE
MS Capital Partners Adviser Inc.	United States	DE
MS Credit Partners GP Inc.	United States	DE
MS Credit Partners GP L.P.	United States	DE
MS Credit Partners Holdings Inc.	United States	DE
MS Expansion Capital GP Inc.	United States	DE
MS Expansion Capital GP LP	United States	DE
MS Harrison LLC	United States	DE
MSCP V GP Inc.	United States	DE
MS Capital Partners V GP L.P.	Cayman Islands	
MSCP V Offshore Investors GP Ltd.	Cayman Islands	
MS Capital Partners V LP	United States	DE
MSGFI Management Inc.	United States	DE
MSIM GP Inc.	United States	DE
Private Investment Partners Inc.	United States	DE
Private Investment Partners GP Inc.	United States	DE
TAM Investment Holdings Inc.	United States	DE
MS Lion LLC	United States	DE
Morgan Stanley Beta Investments Limited	United Kingdom	ENW
Morgan Stanley Gamma Investments	United Kingdom	ENW
Morgan Stanley Portland Investments Limited	United Kingdom	ENW
Morgan Stanley Gamma Investments	United Kingdom	ENW
MS Low Income Housing Corporation	United States	DE
A4 Wind 1 LLC	United States	DE
A4 Wind 2 LLC	United States	DE
Conchita I LLC	United States	DE
Guanaco I LLC	United States	DE
Mombacho I LLC	United States	DE
MS Guaranteed Tax Credit Fund XXIII, LLC	United States	DE
Morgan Stanley New Markets, Inc.	United States	DE
MS New Markets I LLC	United States	DE
MS New Markets II LLC	United States	DE
MS New Markets IV LLC	United States	DE
MS New Markets IX LLC	United States	DE
MS New Markets VIII LLC	United States	DE
MS New Markets X LLC	United States	DE
MS CTH MHP II LLC	United States	DE
CTH LIHTC FUND 97-3A, L.L.C.	United States	DE
MS CTH SLP Operating LLC	United States	DE
MS CTH Special General Partner II LLC	United States	DE
MULTISTATE LIHTC HOLDINGS II, L.P.	United States	DE
MS Georgia Tax Credit Fund III LLC	United States	DE
MS LIHTC FCG Fund I LLC	United States	DE
MS LIHTC FCG II LLC	United States	DE
MS LIHTC FCG LLC	United States	NY
Paquia LLC	United States	DE
Pietra I LLC	United States	DE
Pietra II LLC	United States	DE
Pietra III LLC	United States	DE
Pinol II LLC	United States	DE
Wiwili IV LLC	United States	DE

Name	Country Name	Region / State
Pinol V LLC	United States	DE
BMC NAB Trust Investment Fund LLC	United States	DE
HIGC Investment Fund LLC	United States	DE
PSFG Funding LLC	United States	DE
Viento LLC	United States	DE
Warepool 9A LLC	United States	DE
Wiwili I LLC	United States	DE
Wiwili II LLC	United States	DE
Wiwili III LLC	United States	DE
Wiwili VI LLC	United States	DE
MS Low Income Housing II Corporation	United States	DE
CTH LIHTC FUND 97-3A, L.L.C.	United States	DE
MULTISTATE LIHTC HOLDINGS II, L.P.	United States	DE
MS Affordable Housing LLC	United States	DE
MS Taishan Inc.	United States	DE
Vicuna I LLC	United States	DE
Vicuna II LLC	United States	DE
Vicuna III LLC	United States	DE
Warepool 5A LLC	United States	DE
MS Low Income Housing III Corporation	United States	DE
Warepool SLP LLC	United States	DE
MS Pegau LLC	United States	DE
Millport I LLC	United States	DE
Elderslie Holdings Limited	Cayman Islands	
Elderslie Limited	Cayman Islands	
Esporta Holdings Limited	Cayman Islands	
Bayview Holding Ltd.	Cayman Islands	
Esporta Limited	Cayman Islands	
Esporta Limited	Cayman Islands	
Esporta Financing Limited	Cayman Islands	
Morgan Stanley Eden Investments Limited	United Kingdom	ENW
Morgan Stanley UK Financing III LP	United Kingdom	
MS Revel EFS LLC	United States	DE
MS Rosebank LLC	United States	DE
Morgan Stanley Limpopo LLC	United States	DE
Morgan Stanley Prosen Limited	Cayman Islands	
Morgan Stanley Limpopo LLC	United States	DE
Morgan Stanley Breede Inc.	United States	DE
Morgan Stanley Vaal LLC	United States	DE
Clova Investments LP	United States	DE
Morgan Stanley Lomati LLC	United States	DE
Morgan Stanley Strand Limited	Cayman Islands	
Cornelia Limited	Cayman Islands	
Lindley S.a r.l.	Luxembourg	
Linksfield S.a r.l.	Luxembourg	
Seapoint Investments (Proprietary) Limited	South Africa	
MS Douglasdale Limited	Cayman Islands	
Bondi Limited	Cayman Islands	
MS Melville LLC	United States	DE
MS Melville LLC	United States	DE
MS Dainfern LLC	United States	DE
MS Greenside LLC	United States	DE
MS Houghton LLC	United States	DE
Sandhurst Partnership	United States	DE
MS Sandhurst FX LLC	United States	DE
MS Structured Asset Corp.	United States	DE
MS Technology Holdings, Inc.	United States	DE

Name	Country Name	Region / State
MS Venture Capital Holding Inc.	United States	DE
MSAM Holdings II, Inc.	United States	DE
MSCP III Holdings, Inc.	United States	DE
Morgan Stanley Proprietary Trading Co. (Cayman) Limited	Cayman Islands	
MSDW Capital Partners IV, Inc.	United States	DE
MSDW CPIV Holdings, Inc.	United States	DE
MSDW EFS Holdings Inc.	United States	DE
MSDW Emerging Equity, Inc.	United States	DE
MSDW International Employee Services LLC	United States	DE
MSDW Nederland BV	Netherlands	
MSDW Offshore Equity Services Inc.	United States	DE
FUNDLOGIC SAS	France	
Morgan Stanley Alzette S.a.r.l.	Luxembourg	
Morgan Stanley Equity Investments (Luxembourg)	Ireland	
Morgan Stanley Corporate Holdings (Luxembourg)	Ireland	
Morgan Stanley Luxembourg Equity Holdings S.a.r.l.	Luxembourg	
Morgan Stanley Derivative Products (Luxembourg) Sarl	Luxembourg	
Morgan Stanley Finance (Gibraltar) Limited	Gibraltar	
Morgan Stanley Kadarka Limited	Cayman Islands	
Morgan Stanley Derivative Products (Singapore) Pte. Ltd.	Singapore	
Morgan Stanley Equity Trading (Singapore) Pte. Ltd. (In Liquidation)	Singapore	
Morgan Stanley Derivative Products Spain S.L.	Spain	
Morgan Stanley Equity Finance (Malta) Limited	Malta	
Morgan Stanley Equity Trading GP Limited	Jersey	
Morgan Stanley Global Equity Trading (Jersey) L.P.	Jersey	
Morgan Stanley Euro Financing (Luxembourg)	Ireland	
Morgan Stanley Corporate Holdings (Luxembourg)	Ireland	
Morgan Stanley Grund S.a.r.L	Luxembourg	
Morgan Stanley Derivative Products (Portugal), Unipessoal LDA	Portugal	
Morgan Stanley Equity Investments (UK) Limited	Cayman Islands	
Morgan Stanley Equity Trading (DIFC) Limited	United Arab Emirates	
Morgan Stanley Warta GmbH	Germany	
Morgan Stanley Wiltz S.a.r.l.	Luxembourg	
Morgan Stanley Euro Financing (Luxembourg)	Ireland	
Morgan Stanley Deshka LLC	United States	DE
Morgan Stanley Eder S.a r.l.	Luxembourg	
Morgan Stanley GFD Hedge Holdings II Limited	Cayman Islands	
Morgan Stanley GFD Hedge Holdings Limited	Cayman Islands	
Morgan Stanley GFD Proprietary Holdings Limited	Cayman Islands	
Morgan Stanley Global Fund Derivatives Hedge Holdings Luxembourg S.A.	Luxembourg	
Morgan Stanley Hedging Co. Ltd.	Cayman Islands	
MS Equity Finance Services I (Cayman) Ltd.	Cayman Islands	
MSDW OIP Investors, Inc.	United States	DE
MSDW PE/VC Holdings, Inc.	United States	DE
MSDW Real Estate Special Situations II, Inc.	United States	DE
MSDW Real Estate Special Situations II Holdings, L.L.C.	United States	DE
MSDW Real Estate Special Situations II Partner, L.L.C.	United States	DE
MSDW Real Estate Special Situations II Manager, L.L.C.	United States	DE
MSDW Real Estate Special Situations II-A Manager, L.L.C.	United States	DE
MSDW Real Estate Special Situations II-B Manager, L.L.C.	United States	DE
MSDW Real Estate Special Situations II-C Manager, L.L.C.	United States	DE
MSDW Real Estate Special Situations II-A Dutch Manager B.V.	Netherlands	
MSDW Real Estate Special Situations II-B Dutch Manager B.V.	Netherlands	
MSDW Real Estate Special Situations II-C Dutch Manager B.V.	Netherlands	
MSRESS II GP Co-Investment Ltd.	Cayman Islands	
MSDW Strategic Ventures Inc.	United States	DE
MSDW Venture Partners IV, Inc.	United States	DE

Name	Country Name	Region / State
MSDW VP IV Holdings, Inc.	United States	DE
MSEOF, Inc.	United States	DE
MSEOF Management, LLC	United States	DE
MSEOF Manager S.a.r.l.	Luxembourg	
MSIT Holdings, Inc.	United States	DE
MSPEA Holdings, Inc.	United States	DE
MSRE Mezzanine, Inc.	United States	DE
MSRE Mezzanine, LLC	United States	DE
MSRE Mezzanine-GP, LLC	United States	DE
MSREF II, Inc.	United States	DE
MSREF II, L.L.C.	United States	DE
MSREF III, Inc.	United States	DE
MSREF III, L.L.C.	United States	DE
MSREF IV, Inc.	United States	DE
MSREF IV, L.L.C.	United States	DE
MSREF IV Domestic-GP, L.L.C.	United States	DE
MSREF IV Domestic-LP, L.L.C.	United States	DE
MSREF IV International-GP, L.L.C.	United States	DE
MSREF IV International-LP, L.L.C.	United States	DE
MSREF Real Estate Advisor, Inc.	United States	DE
MSREF VI, Inc.	United States	DE
MSREF VI International-LP, L.L.C.	United States	DE
MSREF VI, L.L.C.	United States	DE
MSREF VI International-GP, L.L.C.	United States	DE
Morgan Stanley Real Estate Fund VI International-T, L.P.	United States	DE
Morgan Stanley Real Estate Fund VI International-TE, L.P.	United States	DE
Morgan Stanley Real Estate Fund VI Special-A International, L.P.	United States	DE
Morgan Stanley Real Estate Fund VI Special-B International, L.P.	United States	DE
Morgan Stanley Real Estate Investors VI International, L.P.	United States	DE
MSREI Post Co-Investment GP, L.L.C.	United States	DE
MSREF VII, Inc.	United States	DE
MSREF VII Global (Cayman), Ltd.	Cayman Islands	
MSREF VII Global (U.S.), L.L.C.	United States	DE
MSREF VII Global-GP (U.S.), L.L.C.	United States	DE
MSREF VII Global, L.L.C.	United States	DE
MSREF VII Global, L.P.	Canada	AB
MSREF VII Global-GP Greenwich, L.P.	Canada	AB
MSREF VII Global-GP, L.P.	Canada	AB
MSREF VII Global-GP Holding (Cayman), L.L.C.	United States	DE
MSREF VII Global (Cayman), L.P.	Cayman Islands	
MSREF VII Global-GP (Cayman), L.P.	Cayman Islands	
MSREF VII Global-L.P., L.L.C.	United States	DE
MSREF VII GP L.L.C.	United States	DE
MSREF VII L.P.	Canada	AB
MSREF VII SLP-A L.P.	Canada	AB
MSREF VII SLP-B L.P.	United States	DE
MSREF V Funding, Inc.	United States	DE
MSREF V Funding Partner, Inc.	United States	DE
MSREF V International Funding, L.P.	United States	DE
MSREF V, Inc.	United States	DE
MSREF V, L.L.C.	United States	DE
MSREF V International-GP, L.L.C.	United States	DE
MSREF V International-LP, L.L.C.	United States	DE
MSREF V U.S.-GP, L.L.C.	United States	DE
Morgan Stanley Real Estate Fund V Special U.S., L.P.	United States	DE
Morgan Stanley Real Estate Fund V U.S., L.P.	United States	DE
Morgan Stanley Real Estate Investors V U.S., L.P.	United States	DE

Name	Country Name	Region / State
MSP Co-Investment Partnership V, L.P.	United States	DE
MSP Co-Investment Partnership V-A, L.P.	United States	DE
MSP Real Estate Fund V, L.P.	United States	DE
MSREF V U.S.-LP, L.L.C.	United States	DE
MSREI Holding, Inc.	United States	DE
MSRESS III, Inc.	United States	DE
Morgan Stanley Real Estate Special Situations III-LP, L.L.C.	United States	DE
MSRESS III Manager, L.L.C.	United States	DE
Morgan Stanley Real Estate Special Situations III-GP, L.L.C.	United States	DE
MSREI Post Co-Investment GP, L.L.C.	United States	DE
MSRESS III Monroe GP, L.L.C.	United States	DE
MSRESS III Opportunities Fund - GP, L.L.C.	United States	DE
MSUH Holdings I, Inc.	United States	DE
MSUH Holdings II, Inc.	United States	DE
MS SP Urban Horizons, Inc.	United States	DE
MS Urban Horizons, Inc.	United States	DE
MSVP 2002 Holdings, Inc.	United States	DE
MSVP 2002, Inc.	United States	DE
Musum I LLC	United States	DE
Musum II LLC	United States	DE
PG Holdings, Inc.	United States	DE
Providence DE Holdings Co.	United States	DE
Strategic Investments I, Inc.	United States	DE
MS Strategic (Mauritius) Limited	Mauritius	
Strategic Investments II, Inc.	United States	DE
Sycamore II, Inc.	United States	DE
Tooele Power, Inc.	United States	DE
Wiwili V LLC	United States	DE
Vicuna IV LLC	United States	DE
Morgan Stanley Spad Investments S.a.r.l.	Luxembourg	
Morgan Stanley Morane Investments S.a r.l.	Luxembourg	
Morgan Stanley Curtiss Investments S.a r.l.	Luxembourg	

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