

STOCK EXCHANGE			
Regulatory Information Circular			
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**Subject: Morgan Stanley, Strategic Total Return Securities**

**Information on the Notes**

ISE today began trading Morgan Stanley, Strategic Total Return Securities Exchangeable for a Cash Amount Based on the CBOE Dow Jones Industrial Average BuyWrite Index (BXD Index). The new securities were issued at a price of \$10.00 per unit with a maturity date of July 30, 2011.

Beginning in January 2008, Morgan Stanley will have the right to redeem the securities for mandatory exchange in whole, but not in part, on any exchange date for a cash amount equal to the Net Entitlement Value determined on that particular exchange valuation date. The initial Net Entitlement Value was set at \$9.88 on the day the issuer priced these securities. On any other trading day, the Net Entitlement Value will equal the initial Net Entitlement Value multiplied by the BXD Index performance on that trading day, minus the adjustment amount as of that trading day. The BXD Index is calculated and published by the CBOE. The index measures the total rate of return of a “buy-write,” or “covered call,” strategy on the Dow Jones Industrial Average, based on a rolling one-month, at-the-money options on the Dow Jones Industrial Average. This strategy is referred to as an at-the-money covered call strategy.

Morgan Stanley’s offering of Strategic Total Return Securities will be redeemable quarterly at the option of the holder for an amount of cash based on the CBOE Dow Jones Industrial Average BuyWrite Index. Each security will redeem for an amount of cash based on the Net Entitlement Value on the last Trading Day in the applicable Exchange Period for Securities being exchanged or, if not previously exchanged, on July 27, 2011, the third scheduled Trading Day prior to the Maturity Date. The initial Net Entitlement Value on the Pricing Date equals \$9.88. On any Trading Day, the Net Entitlement Value will be equal to the Net Entitlement Value on the previous Trading day (i) multiplied by the Daily BXD Performance for that Trading Day and (ii) minus the Adjustment Amount. On any Trading Day, the closing value of the BXD Index on the Trading Day divided by the closing value of the BXD Index on the previous Trading Day.

Since all payments, which may be due to holders of DBZ, are the sole responsibility of the Issuer, it is the credit of Morgan Stanley that stands behind DBZ.

Unlike ordinary debt securities, the STRS do not guarantee any return of principal at maturity.

There can be no assurances as to how the STRS will trade in the secondary market or whether such market will be liquid or illiquid. Securities with characteristics similar to the STRS are unique securities, and there is currently no secondary market for the STRS.

The market value for the STRS will be affected by a number of factors including, but not limited to, the volatility of the CBOE Dow Jones Industrial Average BuyWrite Index, the dividend rate on the stocks underlying the CBOE Dow Jones Industrial Average BuyWrite Index, market interest and yield and the time remaining to the maturity of the STRS.

Information concerning taxation may be found in the Prospectus.

The Trustee for this security is JPMorgan Chase Bank.

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 9:00 a.m. until 4:00 p.m. Eastern Time. Equity Electronic Access Members ("Equity EAMs") trading the shares during the Pre-Market Session are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Pre-Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Pre-Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Pre-Market hours may be at a disadvantage to market professionals.

Equity EAMs also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

**Appendix A**  
**Exchange-Traded Fund Symbol CUSIP Number**

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP Number</b>
DBZ	Morgan Stanley, Strategic Total Return Securities Exchangeable for a Cash Amount Based on the CBOE Dow Jones Industrial Average BuyWrite Index	617 48A 676