

### Morgan Stanley FTSE™ Protected Growth Plan

#### Plan overview

The Plan is designed for investors seeking a high degree of capital protection at maturity and investment growth linked to the FTSE™ 100 Index over the life of the Plan. The Plan has an early exit feature which provides the potential to lock in a return of 125% of the investors initial investment after 3 years if the FTSE™ 100 Index is 25% or more above the Initial Index Level on the third anniversary of their investment.

#### Key Dates

<b>Launch Date:</b>	May 12th 2003
<b>Closing Date:</b>	June 20th 2003
<b>PEP / ISA Transfers Deadline:</b>	June 6th 2003

#### Key Features

<b>Investment Term:</b>	6 Years
<b>Underlying:</b>	FTSE™ 100 Index ("the Index")
<b>Return at maturity:</b>	1 times the growth of the Index from the Initial Index Level to the Final Index Level, plus return of the initial investment.
<b>Early Exit Feature:</b>	If at the end of the third year the Index has risen by 25% or more from the Initial Index Level further investment exposure to the FTSE™ 100 Index will end. Plan investors will have the option either to receive 125% of their initial investment and close the Plan, or continue their investment in the Plan on terms that will be offered at the time.
<b>Initial Index Level:</b>	The official closing level of the Index on Plan start date.
<b>Final Index Level:</b>	Average of the monthly closing levels of the Index over the last six months of the Plan.

#### General Information

<b>Commission:</b>	3%
<b>Plan Manager:</b>	Morgan Stanley & Co. International Limited
<b>Plan Assets:</b>	Medium Term Notes issued by financial institutions with a Standard & Poor's rating of A+ or better at time of purchase
<b>Minimum Investment:</b>	£3,000
<b>Maximum Investment:</b>	£1,000,000
<b>Maximum Deal Size:</b>	£25,000,000
<b>Investments:</b>	Suitable for ISA / PEPs, pension plans including SIPPs and SSASs as well as direct investments

\*This factsheet is for professional financial advisers only. It should not be distributed to and may not be relied upon by any other persons. It does not constitute an offer of the Morgan Stanley FTSE™ Protected Growth Plan. Any investment in the Morgan Stanley FTSE™ Protected Growth Plan should be made only after the investor has read and understood the Brochure, Key Features and Terms & Conditions, and *if in doubt about their suitability for the investment sought the advice of an Independent Financial Adviser*. Please note that the current tax regime and the favourable tax treatment of ISAs and PEPs can change, and that the treatment of direct investments will depend on the individual circumstances of the investor. Morgan Stanley does not give any advice on the tax consequences of investing in the Plan.

### Morgan Stanley FTSE™ Protected Growth Plan

#### Key Benefits

A simple structure that is easy to understand.

Full capital protection at maturity.

Early Exit Feature that provides investors with potential for a maximum 25% return on their initial investment at the end of 3 years and no further exposure to the FTSE™ 100 Index.

Payoff at maturity of 1 times the growth of the Index from the Initial Index Level to the Final Index Level in the event that the Early Exit Feature is not triggered.

Tax free returns for ISA / PEP investments.

Interest at base rate less 0.5% on subscription amounts from investment date until the Plan start date.

#### Key Risks

In order to generate plan returns, the Plan Manager will invest in assets issued by one or more financial institutions rated A+ or better by Standard and Poor's. Investors will have credit risk to these financial institutions.

The Plan is intended as a medium term investment. Plan returns only apply if the investment is held until maturity or the Early Exit Feature is triggered.

If the Early Exit Feature is triggered and the Plan closed, investors will only be able to receive a maximum 125% of their initial investment, irrespective of the prevailing index level.

If investors seek to realise their investment before maturity, they may receive less than their initial investment.

#### Further Information

You can obtain further information on the Morgan Stanley FTSE™ Protected Growth Plan from one of the following. Literature will be available on or about the Launch Date.

- 1. Internet:** Log on to our IFA web-site at [www.morganstanley.com/drma](http://www.morganstanley.com/drma) where you can download pdf's and / or order literature for the Plan
- 2. Phone:** Call our fulfillment house on **01403 264 265** to order hard copies of Plan literature.
- 2. Fax:** Fill out the fax-back form below and fax it to us on **01403 248 808**

<b>Name:</b>	<b>Telephone:</b>
<b>Email:</b>	<b>Company name:</b>
<b>Address:</b>	<b>Post code:</b>
	<b>No. of IFA packs to order:</b>

For additional information on how Morgan Stanley can assist you going forward please contact us:

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