

PINNACLE PERFORMANCE LIMITED

To the Distributors of the Notes:

CIMB-GK Securities Pte Ltd
Kim Eng Securities Pte. Ltd.
Phillip Securities Pte Ltd

DMG & Partners Securities Pte Ltd
OCBC Securities Private Limited
Malayan Banking Berhad, Singapore Branch

Pinnacle Notes Series 1

USD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7168931443)
("Tranche A Notes")

SGD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7169931459)
("Tranche B Notes")

(each a "Tranche" and the notes of any or all Tranches, the "Notes") issued by Pinnacle Performance Limited pursuant to its U.S.\$5,000,000,000 Structured Note Programme (the "Programme")

We refer to our notice to distributors of the Notes dated 6 July 2009 informing them that a Mandatory Redemption Event has occurred in relation to the Notes, and to the Frequently Asked Questions attached to that notice.

We are now writing to inform you that the Arranger in respect of the Notes, Morgan Stanley Asia (Singapore) Pte. ("MSAS"), has appointed KPMG LLP as an independent party:

1. to assess the internal guidelines and procedures of MSAS (which include adherence to the relevant provisions of the Notes and the transaction documentation) which set out the process and control activities in relation to the determination that a Mandatory Redemption Event has occurred in respect of the Notes;
2. to assess the internal guidelines and procedures of MSAS (which include adherence to the relevant provisions of the Notes and the transaction documentation) in respect of the early redemption process setting out the process and control activities over the sourcing and determination of prices, adjustments to prices (if any) and processes to ensure the integrity of the calculations performed in relation to the redemption of the Notes; and
3. to assess whether the process and control activities for determining the occurrence of a mandatory redemption event and the early redemption process as set forth in the internal guidelines and procedures have been adhered to (a) in determining that a mandatory redemption event has occurred and (b) in arriving at the computation of the early redemption amount of the Notes.

We would encourage you to provide this information to your customers who purchased the Notes.

If you have any questions or queries regarding this notice or the Notes, please consult your own legal, tax, accountancy or other professional adviser as you may see fit.

Capitalised terms used but not otherwise defined in this notice or otherwise specified shall have the meanings ascribed thereto in the Pricing Statement relating to the Notes dated 7 August

2006 (the "Pricing Statement"). The Pricing Statement and certain other documents and information in relation to the Notes can be viewed on the following website: www.morganstanley.com/pinnaclenotes.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Giles Le Sueur".

PINNACLE PERFORMANCE LIMITED

BY: **Giles Le Sueur**
Director

31 July 2009