

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: SG7I68931443)
("Tranche A Notes")**

**SGD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7I69931459)
("Tranche B Notes")**

(each a "Tranche" and the notes of either or both 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 notices dated 7 May 2009 and 15 June 2009 relating to the Underlying Assets in respect of the Notes and the occurrence of certain credit events in respect of certain reference entities under the Underlying Assets. As referred to in the notice dated 15 June 2009, the Underlying Assets in respect of the Notes are the Series 2006-28 Class II Floating Rate Notes due 2012 issued by Morgan Stanley ACES SPC acting for the account of the Series 2006-28 Segregated Portfolio. Please refer to the notices for further details.

We are now writing to inform you that as a result of these credit events, an Underlying Disposal Event (also referred to as a Mandatory Redemption Event) as described in Condition 7(c)(i)(A) of the Notes has occurred in relation to the Notes. Following the occurrence of this event the Notes have become subject to mandatory early redemption as further set out in Condition 7(c) of the Notes. Please refer to the attached set of Frequently Asked Questions for further information.

Although we are under no obligation to provide information in respect of the Notes or the Underlying Assets beyond that required by the offering documentation constituted by the Base Prospectus and the Pricing Statement, in the present exceptional circumstances we have considered it to be helpful to write to you in this instance to provide you with this information relating to the Notes and the Underlying Assets. Please refer to the Base Prospectus and the Pricing Statement for the Notes for further information in relation to the consequences of this event.

We would encourage you to provide the information contained in this notice and the Frequently Asked Questions to your customers who invested in 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**") or the Private Placement Memorandum Supplement of the Underlying Assets dated 25 September 2006 (the "**PPMS**"). The Pricing Statement, the PPMS and certain other documents and information in relation to the Notes can be viewed on the following website: www.morganstanley.com/pinnaclenotes.

Yours faithfully



PINNACLE PERFORMANCE LIMITED

BY: Giles Le Sueur
Director

6 July 2009