

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

SGD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7I69931459) ("Tranche B 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 holders of the Pinnacle Series 1 Notes dated 13 August 2009 regarding the Early Redemption Date and the Early Redemption Amount to be payable to holders of the Pinnacle Series 1 Notes as a result of the Mandatory Redemption Event.

As stated in that notice, an amount equal to USD 53,472.11, which will be converted into SGD at the exchange rate prevailing on or about the Early Redemption Date (as determined by the Determination Agent, acting for and on behalf of the Issuer in its sole and absolute discretion acting in good faith) will be payable to the holders of the Tranche B Notes on a pro rata basis. The Determination Agent determined the USD/SGD exchange rate prevailing on or about the Early Redemption Date to be SGD 1.4450 per USD 1. Accordingly, an amount equal to SGD 77,267.20 will be payable to the holders of the Tranche B Notes on a *pro rata* basis, so that the holder of each Tranche B Note will receive SGD 45.91 per Tranche B Note. These amounts will be paid to CDP on the Early Redemption Date, and holders of Tranche B Notes must look solely to CDP for his share of such payment, subject to and in accordance with the rules and procedures of CDP.

If you have any questions or queries regarding this notice or the Tranche B 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 Pinnacle Series 1 Notes dated 7 August 2006 (the "**Pricing Statement**"). The Pricing Statement, the notices referred to above and certain other documents and information in relation to the Pinnacle Series 1 Notes can be viewed on the following website: www.morganstanley.com/pinnaclenotes.

Yours faithfully



PINNACLE PERFORMANCE LIMITED

BY: **Giles Le Sueur**
Director

20 August 2009