

PRICING SUPPLEMENT

SERIES 15

Dated 5 August 2008

PINNACLE PERFORMANCE LIMITED

SGD Coupon Plus Equity-Linked Notes due 2011 (the "Notes")  
pursuant to its U.S.\$5,000,000,000 Structured Note Programme

arranged by

MORGAN STANLEY ASIA (SINGAPORE) PTE.

(formerly known as Morgan Stanley Dean Witter Asia (Singapore) Pte.)

The Notes shall have the terms and conditions set out as the Equity Master Conditions in the Appendix to the Supplementary Base Prospectus dated 8 May 2008 (the "Applicable Annex"), as completed, modified and supplemented by this document. This document constitutes the Pricing Supplement as referred to in the Equity Master Conditions.

The terms of the Notes are as follows:

- |                   |                                      |
|-------------------|--------------------------------------|
| 1. Issuer:        | Pinnacle Performance Limited         |
| 2. Arranger:      | Morgan Stanley Asia (Singapore) Pte. |
| 3. (i) Series No: | 15                                   |
| (ii) Tranche:     | Not Applicable                       |

**Terms of Series**

- |                              |  |
|------------------------------|--|
| 4. Note Type:                | Equity-Linked Note Type  |
| 5. Relevant Currency:        | Singapore dollars ("S\$" or "SGD")   |
| 6. Principal Amount:         | S\$103,215,000   |
| 7. Form of the Notes:        | Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note. The Permanent Global Note will be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| 8. Status:                   | Secured and limited recourse obligations of the Issuer, secured as provided below  |
| 9. Denominations:            | S\$5,000 per Note. Condition 18 shall not apply  |
| 10. Issue Date:              | 5 August 2008  |
| 11. Issue Price:             | 100 per cent. of the Principal Amount  |
| 12. Scheduled Maturity Date: | The date falling 5 Business Days after the Valuation Date and which is expected to be 7 February 2011.   |

## Equity Terms

13. Single Share Notes, Share Basket Notes Provisions:	Applicable
(i) Whether the Notes relate to a single share or a basket of shares (each a "Share") and the name of the relevant company and class of the Shares (each a "Company"):	Single Share Notes. Ordinary shares of Singapore Telecommunications Limited (Bloomberg Code: ST SP)
(ii) Valuation Date:	27 January 2011
(iii) Determination Time:	As set out in the Equity Master Conditions
(iv) Averaging Dates:	Not Applicable
(v) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) Cash or Physical Settlement at the option of the Determination Agent, acting for and on behalf of the Issuer:	Cash Settlement
(vi) Exchange:	Singapore Exchange Securities Trading Limited
(vii) Related Exchange:	All Exchanges
(viii) Weighting for each Share comprising the Basket:	Not Applicable
(ix) Delivery provisions for Shares (including details of who is to make such delivery):	Not Applicable
(x) Additional Disruption Events:	Change in Law, Insolvency Filing, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow shall apply
(xi) Fixing Date:	22 July 2008
(xii) Other terms or special conditions:	Not Applicable
14. Index/Index Basket Notes Provisions:	Not Applicable
15. Base Currency:	S\$
<b>Redemption provisions</b>	
16. Redemption Amount:	In respect of each Note, 100% of its Denomination
17. Instalment Date(s) (if applicable):	Not Applicable
18. Instalment Amount(s) (if applicable):	Not Applicable

- |   |                                    |
|---|------------------------------------|
| 19. Tax redemption:                                       | Condition 7(c) (i) (C) shall apply |
| 20. Purchase option:                                      | Condition 7(d) shall not apply     |
| 21. Additional Underlying Disposal Event (if applicable): | Not Applicable                     |
| 22. Issuer Call Option:                                   | Not Applicable                     |

**Interest**

- |  |            |
|--|------------|
| 23. Interest Commencement Date (if different from Issue Date): | Issue Date |
|--|------------|

- |                     |                  |
|---------------------|------------------|
| 24. Interest Basis: | Fixed Rate Notes |
|---------------------|------------------|

- |                               |   |
|-------------------------------|---|
| 25. Interest Payment Date(s): | Payable on 5 November 2008, 5 February 2009, 5 May 2009, 5 August 2009, 5 November 2009, 5 February 2010, 5 May 2010 and 5 August 2010. |
|-------------------------------|---|

In addition to the periodic interest payable on the Notes, an Equity Bonus Coupon may also be payable on the Scheduled Maturity Date. For the avoidance of doubt, no further periodic interest will be payable on the Notes after 5 August 2010. Subsequently, the final coupon (if any) payable on the Notes will be the Equity Bonus Coupon.

"Equity Bonus Coupon" means (a) where the Determination Agent determines the Settlement Price on the Valuation Date to be greater than or equal to the Initial Price, an amount per Note equal to 1.75% of its Denomination, and (b) where the Determination Agent determines the Settlement Price on the Valuation Date to be less than the Initial Price, Zero.

"Initial Price" means S\$3.510, such amount to be determined by the Determination Agent as the price of the Share at the Determination Time on 22 July 2008 on the Exchange.

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|------------------------------------|---|
| 26. Fixed Rate Note Provisions:    | Applicable  |
| (a) Interest Rate:                 | 3.50% per annum   |
| (b) Fixed Coupon Amount:           | S\$43.75 per Note payable on each Interest Payment Date |
| (c) Broken Amount                  | Not Applicable  |
| 27. Floating Rate Note Provisions: | Not Applicable  |
| 28. Zero Coupon Note Provisions:   | Not Applicable  |

29. Index Note Provisions:	Not Applicable
<b>Other</b>	
30. Unmatured Coupons to become void upon early redemption:	Not Applicable
31. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not Applicable
32. Dual Currency Note Provisions:	Not Applicable
33. Business Day Jurisdictions for Condition 9(g) (jurisdictions required to be open for payment):	Singapore, Hong Kong, New York and London
34. Details of any other additions or variations to the Conditions:	See Annex 1 (Special Conditions) of this Pricing Supplement
35. Charged Assets:	
(a) Original Underlying Assets:	U.S.\$ 76,370,000  U.S.\$ floating rate notes due 2011 issued by Morgan Stanley B.V. under its Program for the Issuance of Notes and unconditionally and irrevocably guaranteed by Morgan Stanley (ISIN: XS0380854504 )
(b) The criteria applicable to Eligible Investments:	Not Applicable
(c) Security (order of priorities):	The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the Security constituted by or pursuant to the Trust Deed in accordance with the following: <ul style="list-style-type: none"> <li>(a) First, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by CDP in carrying out its duties as the Clearing System for the Notes, or the Trustee or any receiver in preparing and executing the trusts under the notes and the Trust Deed (including any taxes required to be paid, the costs of realising or enforcing any security and the Trustee's remuneration);</li> <li>(b) Secondly, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Principal Paying Agent, the Custodian</li> </ul>

and the Administrator other than those set out in (d) below;

- (c) Thirdly, rateably in meeting the claims (if any) of the Swap Counterparty under the Swap Agreement (which for this purpose shall include any claim of the Custodian for reimbursement in respect of payments made to the Swap Counterparty under the Swap Agreement and relating to sums receivable on the Underlying Assets);
- (d) Fourthly, rateably in meeting the claims (if any) of the holders of the Notes and the Coupons (as defined in the Equity Master Conditions) (which for this purpose will include any claim of the Custodian and the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to holders of the Notes and/or the Coupons); and
- (e) Fifthly, in payment of the balance (if any) to the Issuer.

In accordance with the Supplemental Trust Deed, the Security for the Notes shall comprise all of the following:

- (i) a first fixed charge in favour of the Trustee over the Underlying Assets and all of the Issuer's rights attaching to or relating to the Underlying Assets and all sums derived therefrom;
- (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest against the Custodian, to the extent they relate to the Underlying Assets;
- (iii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each of the Swap Agreement and the Swap Guarantee and any sums received thereunder;
- (iv) a first fixed charge in favour of the Trustee over (a) all sums received under the Swap Agreement and the Swap

Guarantee; and (b) any sums held by the Principal Paying Agent and/or the Custodian to meet payments due in respect of the Notes; and

- (v) an assignment by way of first fixed charge in favour of the Trustee of the Issuer's rights, title and interest under the Agency Agreement in respect of the Notes and the Underlying Assets, including all sums derived therefrom in respect of the Notes and all rights against the Custodian with respect to the Underlying Assets, including without limitation all rights to the delivery of such Underlying Assets against the Custodian under the Agency Agreement or any applicable clearing system or the operator thereof or against any bank, broker or other intermediary and including all sums and other rights derived from such Underlying Assets.

The claims of the Trustee, the Custodian, the Principal Paying Agent and the Swap Counterparty against the Issuer shall rank prior to the claims of the Noteholders under the Notes in the application of all moneys received in connection with the realisation or enforcement of the Security. In realising the Charged Assets, the Trustee is obliged to act in accordance with the directions of the Instructing Creditor as described in Condition 3 (c).

(d) Instructing Creditor:

Swap Counterparty

(e) Related Agreements:

- (i) Swap Agreement (including the Equity Swap Transaction, the Asset Swap Transaction and the Forward Transaction) and the Swap Guarantee:

In connection with the issue of the Notes, the Issuer has entered into, amongst other things, an ISDA Master Agreement (the "Swap Master Agreement") dated 5 August 2008 between the Issuer and the Swap Counterparty which Swap Master Agreement benefits from a guarantee (the "Swap Guarantee") of the Swap Guarantor dated 5 August 2008. In respect of this Series the Issuer has executed certain confirmations thereto which incorporate the terms of the Swap Master Agreement. The confirmations to the Swap Master Agreement comprise an equity swap transaction (the "Equity Swap Transaction") and an asset swap transaction

(the "Asset Swap Transaction"), each dated the Issue Date. The Swap Master Agreement together with the confirmations thereto which relate to the Notes are together referred to herein as the "Swap Agreement".

The Swap Agreement may be terminated early, among other circumstances:

- (a) at the election of the non-defaulting party upon an "Event of Default" under the Swap Agreement, including:
  - (i) the failure of the other party to pay any amount due and payable under the Swap Agreement, and such failure continues for one Business Day (as defined in the Swap Agreement);
  - (ii) non-compliance by the Swap Guarantor with any of its obligations under the Swap Guarantee, or the ceasing of the Swap Guarantee to be in full force and effect; and
  - (iii) the merger of the Swap Counterparty or the Swap Guarantor, as the case may be, with another entity and such entity fails to assume all of the relevant party's obligations under the Swap Agreement or the Swap Guarantee, as the case may be; and
- (b) on the occurrence of certain "Termination Events" under the Swap Agreement, including:
  - (i) it becoming illegal for either party to perform its obligations under the Swap Agreement, or for the Swap Guarantor to perform its obligations under the Swap Guarantee;
  - (ii) if (subject as provided in the Swap Agreement) withholding taxes are imposed on payments made by the Issuer, the Swap Counterparty under the Swap Agreement, which is not avoided by a transfer by the Affected Party (as defined in the Swap Agreement) of its rights and obligations on terms provided in the Swap Agreement; and

- (iii) when the Notes become repayable in whole prior to the Scheduled Maturity Date.

**Consequences of Early Termination:**

Upon any such early termination of the Swap Agreement (in whole or in part), and such agreement is not replaced on or prior to such termination, the Notes will become repayable and the Issuer or the Swap Counterparty (as the case may be) may (subject as set out below and provided, in the case of certain tax events, that the Issuer may first be obliged to use all reasonable endeavours to transfer its obligations) be liable to make a termination payment to the other in respect of the Swap Agreement (regardless, if applicable, of which of such parties may have caused such termination).

Where such a termination payment is payable, it will be based on the total losses and costs and/or gains incurred in the termination of the Swap Agreement, and the termination payment would typically (but not necessarily) take into account the market value of the terminated Swap Agreement, based on market quotations of the cost of entering into a transaction with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties under the Swap Agreement.

**Regardless of which party makes the determination of the termination payment (if any), there is no assurance that the proceeds from the sale of the Underlying Assets plus or minus, as the case may be, the amount payable by the Swap Counterparty or the Issuer, as the case may be, due to the termination of the Swap Agreement, will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.**

- (ii) **Exercise of Morgan Stanley Exchange Option:**

Following an exercise of the Morgan Stanley Exchange Option by Morgan Stanley & Co. International plc in respect of any Notes, a *pro rata* amount of the Swap Agreement corresponding to that proportion of the Notes to

be exchanged will be terminated without any termination payment due from either party to the other thereunder.

(f) Parties to Related Agreements (other than the Issuer): Morgan Stanley Asia Securities Products LLC (as the "Swap Counterparty") in respect of the Swap Agreement.

(g) Specify any other Charged Assets: Not Applicable

36. Exchange: Global Note/Global Certificate exchangeable for Definitive Bearer/Registered Notes: Yes, but only in the limited circumstances set out in the Global Note.

37. Details of any additions or variations to the Programme Agreement: None

38. Listing: None

39. Clearing System(s): The Central Depository (Pte) Limited (with a link to Euroclear and Clearstream)

40. Depository: The Central Depository (Pte) Limited

41. Common Code: 038158929

42. ISIN Code: SG7R60940763

43. Custodian: The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong  
Fax: +852 2801 5586  
Attention: Corporate Trust and Loan Agency

44. Registrar: Not Applicable

45. Principal Paying Agent and Calculation Agent: The Hongkong and Shanghai Banking Corporation Limited  
21 Collyer Quay  
#14-01  
HSBC Building  
Singapore 049320  
Fax: +65 6532 4977/+65 6225 3770  
Attention:  
Head of Corporate Trust and Loan Agency  
Morgan Stanley & Co. International plc

46. Determination Agent/Settlement Agent/Market Agent: 25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom  
Fax: +44 (0) 207 056 6435  
Attention: London Transaction Management  
With copies to:  
Morgan Stanley & Co. International plc

c/o Morgan Stanley Asia Limited  
30/F, Three Exchange Square, Central Hong  
Kong  
Fax: +852 3407 9849  
Attention: Asia Transaction Management

**Responsibility**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed by a director of the Issuer:

By: Wendell OOD

Date: 01-08-2008

## Annex 1

### SPECIAL CONDITIONS

*The Master Conditions for Equity-Linked Note Type set out in the Applicable Annex of the Supplementary Base Prospectus (the "Conditions") shall be supplemented and modified by the following Special Conditions. In the event of any inconsistency between the Conditions and such Special Conditions, such Special Conditions shall prevail and the Conditions shall be amended accordingly.*

#### (A) Equity Bonus Coupon Calculations

- (i) Condition 6(k) shall be amended by inserting the following paragraph at the end thereof "No later than two Business Days after the Determination Time on the Valuation Date, the Determination Agent will determine the Settlement Price and calculate the Equity Bonus Coupon payable, and cause the Settlement Price and the Equity Bonus Coupon to be notified to the Principal Paying Agent, the Trustee, the Issuer and the Calculation Agent. The determination of the Settlement Price and the Equity Bonus Coupon by the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties."

#### (B) Events of Default

Condition 11(a) (excluding sub-paragraphs (i) to (vii)) shall be deleted and replaced with:

"(a) Subject to Condition 11(b), the Trustee at its discretion may, and, if so requested by the Instructing Creditor of a Series of Notes, shall (in each case, provided that the Trustee is secured, indemnified, or both to its satisfaction), give notice (an "Enforcement Notice") to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable, at their Early Redemption Amount together with accrued interest to the date of payment (or, in the case of Zero Coupon Notes (unless the Conditions of such Notes provide otherwise) at their Amortised Face Amount) or as otherwise specified in the Applicable Pricing Supplement and the Security constituted by the Security Documents in respect of the relevant Series of Notes shall become enforceable (as provided in the relevant Trust Deed) upon the occurrence of any of the following events (each an "Event of Default");"

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**ISSUER**

**Pinnacle Performance Limited**  
PO Box 1093, Boundary Hall,  
Cricket Square, Grand Cayman KY1-  
1102, Cayman Islands

**ARRANGER AND SPONSOR**

**Morgan Stanley Asia (Singapore) Pte.**

23 Church Street  
# 16-01  
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Singapore 049481

**TRUSTEE**

**HSBC Institutional Trust**

Services (Singapore) Limited  
21 Collyer Quay  
# 14-01  
HSBC Building  
Singapore 049320

**CUSTODIAN**

**The Hongkong and Shanghai**

Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

**PRINCIPAL PAYING AGENT AND  
CALCULATION AGENT**

**The Hongkong and Shanghai  
Banking Corporation Limited**

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# 14-01  
HSBC Building  
Singapore 049320

**DETERMINATION AGENT**

**Morgan Stanley & Co. International plc**

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London E14 4QA  
United Kingdom

**LEGAL ADVISERS**

*to the Arranger and Sponsor as to  
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**Linklaters Allen & Giedhill Pte Ltd**

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**Maples and Calder**

Maples and Calder  
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