

PINNACLE PERFORMANCE LIMITED

To the Distributors of the Notes:

DBS Vickers Securities (Singapore) Pte Ltd
OCBC Securities Private Limited
UOB Kay Hian Pte Ltd

Hong Leong Finance Limited
RHB Bank Berhad

Pinnacle Notes Series 2

**USD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7J65932211)
("Tranche A Notes")**

**SGD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7J66932228)
("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 holders of the Pinnacle Series 2 Notes dated 18 March 2011 regarding the Early Redemption Date and the Early Redemption Amount to be payable to holders of the Pinnacle Series 2 Notes as a result of the Mandatory Redemption Event.

As stated in that notice, an amount equal to USD 4,070,606.58, 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 1.2630 per USD1. Accordingly, an amount equal to SGD 5,141,176.11 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 approximately SGD 1,023.11 per Tranche B Note. These amounts will be paid to CDP on the Early Redemption Date, which, as stated in our notice to holders of the Pinnacle Series 2 Notes dated 18 March 2011, will occur on 28 March 2011. 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 2 Notes dated 6 October 2006 (the "**Pricing Statement**"). The Pricing Statement, the notices referred to above and certain other documents and information in relation to the Pinnacle Series 2 Notes can be viewed on the following website:
www.morganstanley.com/pinnaclenotes.

Yours faithfully

PINNACLE PERFORMANCE LIMITED

BY:



Marc Randall
Director

25 March 2011