

PINNACLE EQUITY-LINKED NOTES

FREQUENTLY ASKED QUESTIONS

14 NOVEMBER 2008

These Frequently Asked Questions have been prepared by Pinnacle Performance Limited for the distributors of the Pinnacle equity-linked notes in Singapore in response to questions about whether the occurrence of the mandatory redemption event in relation to the Pinnacle Series 9 and 10 credit-linked notes has had any effect on the Pinnacle equity-linked notes. Any questions from investors should be raised with the institution that sold them the Pinnacle equity-linked notes in Singapore.

Please read the important notice at the end of this document.

1. What are the Pinnacle equity-linked notes?

The Pinnacle equity-linked notes (the "Pinnacle equity-linked notes") are the Series 8, 11, 12, 15 and 16 notes issued by Pinnacle Performance Limited (the "Issuer").

2. What is an equity-linked note?

An equity-linked note is, in general terms, a structured note where the return and/or interest on the note is determined by reference to, amongst other things, the performance of one or more shares or share indices.

3. What particular features of the Pinnacle equity-linked notes make them equity-linked notes?

The return and/or interest on the Pinnacle equity-linked notes is determined by reference to the performance of one or more shares or share indices, as discussed in the Pricing Statement for the relevant Series of notes. The Pinnacle equity-linked notes pay interest at a fixed or variable rate. Depending on the movement in the price of the relevant share or shares or the level of the relevant index or the volatility of the relevant share price(s) or index level and the particular formula for calculating interest as described in the Pricing Statement for the relevant Series, there may be no interest payable on the Pinnacle equity-linked notes in respect of any given interest period for some Series of notes.

4. What is a credit linked note?

A credit-linked note is, in general terms, a structured note where the return and/or interest on the note is determined by reference to, amongst other things, the credit performance of one or more reference entities, which may be companies or sovereign entities.

5. What are the Pinnacle credit-linked notes?

The Pinnacle credit-linked notes (the "Pinnacle credit-linked notes") are the Series 1, 2, 3, 5, 6, 7, 9 and 10 notes issued by the Issuer.

The Pinnacle equity-linked notes and the Pinnacle credit-linked notes are together referred to in this document as the "Pinnacle notes".

6. Has the mandatory redemption event which occurred in relation to the Series 9 and 10 Pinnacle credit-linked notes resulted in a mandatory redemption event in respect of any other Series of Pinnacle notes?

A mandatory redemption event has occurred in relation to the Series 9 and 10 Pinnacle credit-linked notes.

A mandatory redemption event has not occurred in relation to the Pinnacle equity-linked notes or any other Series of Pinnacle credit-linked notes as of the date of this document.

Holders of the Series 9 and 10 Pinnacle credit-linked notes should consult the financial institution that sold them the notes for further information. They should also make reference to the sources of information referred to in the important notice at the end of this document.

7. What are the Original Underlying Assets for the Pinnacle equity-linked notes?

As set out in Appendix A to the Pricing Statement for each Series of Pinnacle equity-linked notes, the Underlying Assets may comprise, among other investments, Medium Term Notes issued by a bank, corporate entity, government authority, statutory corporation or state owned entity. The Original Underlying Assets in respect of the Pinnacle equity-linked notes do not comprise collateralised debt obligations (CDOs) or asset-backed securities.

The Original Underlying Assets (which are the current Underlying Assets) in respect of each outstanding Series of Pinnacle equity-linked notes are set out in Annex A to these Frequently Asked Questions.

8. What is the status of the Original Underlying Assets which are held by the Issuer in respect of each Series of Pinnacle equity-linked notes?

At this time, none of the Original Underlying Assets which are held by the Issuer for each Series of Pinnacle equity-linked notes is in default and these Original Underlying Assets continue to perform in accordance with their terms.

9. Who can answer any questions I may have?

You should contact the distributor in Singapore that sold you the Pinnacle equity-linked notes at the contact telephone number set out below.

Distributor	Contact Number
ABN Amro Bank NV, Singapore Branch	1800 226 2676
CIMB-GK Securities Pte Ltd	1800 538 9889
Citibank Singapore Limited	6333 9000
DMG & Partners Securities Pte Ltd	6538 3773
Kim Eng Securities Pte. Ltd.	6226 0300
Malayan Banking Berhad, Singapore Branch	1800 629 2265
OCBC Securities Private Limited	6538 4775
RHB Bank Berhad	1800 323 0100
Standard Chartered Bank	1800 747 7000
UOB Kay Hian Pte Ltd	6536 9338

Annex A

Summary of Underlying Assets for each outstanding Series of Pinnacle equity-linked notes

Series	Underlying Assets	Credit Rating as of 14 November 2008
Pinnacle Series 8	Series 3199 USD floating rate notes due 2011 issued by Commonwealth Bank of Australia (ISIN: XS0315791045)	The long term unsecured debt ratings of Commonwealth Bank of Australia are “Aa1” by Moody’s, “AA” by Standard and Poor’s and “AA” by Fitch, each as extracted from Bloomberg on 14 November 2008.
Pinnacle Series 11	Series Euro 1610/07 USD putable floating rate notes due December 2011 issued by Bank of Scotland plc (acting through its Treasury Division, London office) and guaranteed by HBOS plc (ISIN: XS0335435144)	The long term unsecured debt ratings of HBOS plc are “Aa2” (with downgrade review) by Moody’s, and “AAH” (watch negative) by Fitch; the long term foreign issuer credit rating of HBOS plc by S&P is “A+”, each extracted from Bloomberg on 14 November 2008.
Pinnacle Series 12	Series 2196 USD floating rate notes due June 2011 issued by Morgan Stanley B.V. and guaranteed by Morgan Stanley (ISIN: XS0369923361)	The long term unsecured debt ratings of Morgan Stanley are “A1” (with downgrade review) by Moody’s, “A+” (with negative outlook) by Standard and Poor’s and “A” (with negative outlook) by Fitch as at 14 November 2008.
Pinnacle Series 15	Series 2349 USD floating rate notes due January 2011 issued by Morgan Stanley B.V. and guaranteed by Morgan Stanley (ISIN: XS0380854504)	The long term unsecured debt ratings of Morgan Stanley are “A1” (with downgrade review) by Moody’s, “A+” (with negative outlook) by Standard and Poor’s and “A” (with negative outlook) by

		Fitch as at 14 November 2008.
Pinnacle Series 16	Series 2350 USD floating rate notes due November 2011 issued by Morgan Stanley B.V. and guaranteed by Morgan Stanley (ISIN: XS0380854413)	The long term unsecured debt ratings of Morgan Stanley are “A1” (with downgrade review) by Moody’s, “A+” (with negative outlook) by Standard and Poor’s and “A” (with negative outlook) by Fitch as at 14 November 2008.

IMPORTANT NOTICE

This document is a summary of some of the terms of the Pinnacle notes which are relevant to the questions above and is subject to the full terms of the Pinnacle notes which are described in the relevant offering documentation in respect of the Pinnacle notes. Investors should refer to the Base Prospectus together with all Supplementary Base Prospectuses applicable to the relevant Series of Pinnacle notes and the Pricing Statement in respect of the relevant Series of Pinnacle notes (together referred to in these Frequently Asked Questions as the offering documents in respect of a relevant Series) for further information. Investors should also refer to the Pricing Supplements in respect of the relevant Series of Pinnacle notes. These documents can be accessed at www.morganstanley.com/pinnaclenotes. Although Pinnacle Performance Limited is under no obligation to provide information in respect of the Pinnacle notes or the Underlying Assets beyond that specified in the offering documents for the Pinnacle notes, in the present unprecedented market conditions Pinnacle Performance Limited believes that it may be helpful to provide these Frequently Asked Questions relating to the Pinnacle equity-linked notes. Except as specified in the offering documents for the Pinnacle notes, Pinnacle Performance Limited is not under any obligation to provide further information in relation to the Pinnacle equity-linked notes or to update the information contained in these Frequently Asked Questions.

This document only contains general information in relation to the Pinnacle notes and does not constitute legal, financial or any other advice. Investors should seek independent advice where necessary. Capitalised terms used in this document but not otherwise defined herein have the meaning given in the Pricing Statement for the relevant notes.