

PINNACLE PERFORMANCE LIMITED

Pinnacle Notes Series 9

SGD Fixed Rate First-to-Default Credit-Linked Notes due 2013 (ISIN: SG7P88939039)
(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 distributors of the Notes dated 14 November 2008 informing them that a Mandatory Redemption Event has occurred in relation to the Notes, and to the Frequently Asked Questions attached to that notice, to our notice to distributors of the Notes dated 2 February 2009, and to our notice to holders of the Notes attached to that notice, and to our notice to distributors of the Notes dated 13 February 2009.

We also refer to our notice to distributors of the Notes dated 21 January 2009 informing them that the Arranger in respect of the Notes, Morgan Stanley Asia (Singapore) Pte. ("MSAS"), has appointed KPMG LLP as an independent party to conduct certain assessments of the internal guidelines and procedures of MSAS (and the adherence thereto) in connection with the Mandatory Redemption Event which occurred in respect of the Notes. KPMG LLP's work and findings are solely intended for, and only for, the benefit of MSAS and for the purpose as agreed with MSAS. KPMG LLP's work and findings are not created or provided in contemplation of reliance by any party other than MSAS, and are not to be relied upon by any third party.

Although we are under no obligation to provide information in respect of the Notes 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 provide this information relating to the Notes. We are now writing to inform you that KPMG LLP has completed these assessments and has made the following findings:

1. MSAS has established internal guidelines and procedures (which include adherence to the relevant provisions of the Notes and the transaction documentation) which set out the process and control activities in relation to the determination that a Mandatory Redemption Event has occurred in respect of the Notes;
2. MSAS has established internal guidelines and procedures (which include adherence to the relevant provisions of the Notes and the transaction documentation) in respect of the early redemption process setting out the process and control activities over the sourcing and determination of prices, adjustments to prices (if any) and processes to ensure the integrity of the calculations performed in relation to the redemption of the Notes; and

3. the processes and control activities for determining the occurrence of a Mandatory Redemption Event and the early redemption process as set forth in the internal guidelines and procedures have been adhered to (a) in determining that a Mandatory Redemption Event has occurred and (b) in arriving at the computation of the Early Redemption Amount of 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 25 October 2007 (the "**Pricing Statement**"). The Pricing Statement, the notices referred to above 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

3 April 2009