

| STOCK EXCHANGE                  |                  |                   |                |
|---------------------------------|------------------|-------------------|----------------|
| Regulatory Information Circular |                  |                   |                |
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**Subject: Morgan Stanley BRIDGES**

**Information on the Notes**

ISE today began trading Morgan Stanley BRoad InDex Guarded Equity-Linked Securities (“BRIDGES”) based upon the value of the Dow Jones Industrial Average. 3.1 million shares of the new seven-year BRIDGES were issued at \$10 principal amount, with a maturity date of June 30, 2009.

As more fully set forth in the Issuer’s Registration Statement (#333-83616), and Prospectus Supplement, the BRIDGES are medium term debt securities of Morgan Stanley, which are being offered at an original price of 100% of the principal amount (\$10) and will not bear any periodic payments of interest. BRIDGES will not be redeemable by the holder or callable by the Issuer prior to maturity. At maturity, each Unit will entitle the holder to receive \$10 plus a Supplemental Redemption Amount, if any.

The Supplemental Redemption Amount will be equal to \$10, times the percentage increase, if any, in the final average index value over the initial index value.

The supplemental redemption amount will be calculated as follows:

$$\$10 \times \frac{(\text{Final Average Index Value} - \text{Initial Index Value})}{(\text{Initial Index Value})}$$

The Initial Index Value is the Dow Jones Industrial Index closing value on the day the BRIDGES were offered for initial sale to the public (7872.15). The Final Average Index Value will be determined by the Calculation Agent (MS&Co., an affiliate of the Issuer) and will equal the arithmetic average of the closing values of the Dow Jones Industrial Index on June 30, 2005, June 30, 2006, June 30, 2007, June 30, 2008, June 30, 2009. If the final average index value of the Dow Jones Industrial Index is less than or equal to the initial index value, holders of the BRIDGES will receive only the principal amount of the BRIDGES and will not receive any supplemental redemption amount. At maturity, holders will receive no less than the principal amount of the BRIDGES securities.

The Dow Jones Industrial Average (DJIA) is published by Dow Jones & Company, Inc.. The DJIA is a price-weighted index, which means a component stock’s weight in the DJIA is based on its price per share rather than the total market capitalization of the issuer. The DJIA is designed to provide an indication of the composite price performance of 30 common stocks of corporations representing a broad cross-section of U.S. industry. The component stocks of the DJIA are selected by the editors of the Wall

Street Journal (the "WSJ"). The corporations represented in the DJIA tend to be market leaders in their respective industries and their stocks are typically widely held by individuals and institutional investors. Changes in the composition of the DJIA are made entirely by the editors of the WSJ without consultation with the corporations represented in the DJIA, any stock exchange, any official agency or the Company.

It is expected that the market value of the BRIDGES will be affected by the value of the Index and by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yields on the stocks comprising the Index, and the credit rating of the Issuer.

A beneficial owner of the Securities may receive no Supplemental Amount at maturity, or a Supplemental Redemption Amount that is below what the Companies in the index would pay as interest on a non-callable medium term debt security with a similar maturity as that of the BRIDGES. The return of principal of the BRIDGES at maturity and the payment of the Supplemental Redemption Amount, if any, may not reflect the full opportunity costs implied by inflation or other factors relating to the time value of money.

The return a holder will receive on the BRIDGES, if any, will not be the same as the return that you would earn if you actually owned each of the common stocks underlying the Index and received the dividends paid on those stocks.

Ownership of the BRIDGES will be maintained in book-entry form by or through The Depository Trust Company.

BGD will be quoted and trade as an equity issue in round lots of 100, and will trade "flat" without accrued interest.

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 9:00 a.m. until 4:00 p.m. Eastern Time. Equity Electronic Access Members ("Equity EAMs") trading the shares during the Pre-Market Session are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Pre-Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Pre-Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Pre-Market hours may be at a disadvantage to market professionals.

Equity EAMs also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

**Appendix A**  
**Exchange-Traded Fund Symbol CUSIP Number**

| <b>Ticker</b> | <b>Fund Name</b>  | <b>CUSIP Number</b> |
|---------------|---|---------------------|
| BGD           | Morgan Stanley BRoad InDex<br>Guarded Equity-Linked Securities<br>("BRIDGES") based upon the value of<br>the Dow Jones Industrial Average | 617 44Y 26 4        |