



As of the date of this notice, the occurrence of the Credit Event referred to above has not resulted in an Underlying Securities Default Event or a Mandatory Redemption Event in relation to the Notes. The Issuer can give no assurance as to whether an Underlying Securities Default Event or a Mandatory Redemption Event will or will not occur in relation to the Notes in the future.

We have set out in Part A of the Annex below the following information in relation to the loss calculations in respect of the Underlying Securities following the occurrence of the Credit Event referred to above: the Reference Entity Notional Amount which applies to each Reference Entity in respect of which Credit Events have occurred since the issue date of the Underlying Securities and, in respect of each of the Credit Events that have occurred since the issue date of the Underlying Securities where such amounts have been determined (including the Credit Event in relation to Thomson referred to above), the Weighted Average Final Price, the Reference Value and the Loss Amount.

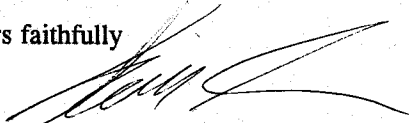
The Aggregate Loss Amount as at the date hereof, being the sum of the Loss Amounts determined in respect of each of the Credit Events which have occurred in relation to the Underlying Securities since the issue date of the Underlying Securities where such Loss Amounts have been determined, is USD176,112,500. The remaining threshold amount of the Underlying Securities (also sometimes referred to as the remaining subordination) after taking into account the occurrence of the Credit Event in respect of the above Reference Entity and the related loss calculations is USD268,887,500 (being the difference between the Lower Threshold Amount of USD445,000,000 and the Aggregate Loss Amount of USD176,112,500). For your convenience, we have set out in Part B of the Annex below the Lower Threshold Amount for the Underlying Securities (which is extracted from the PPMS for the Underlying Securities) and the current Aggregate Loss Amount.

We would encourage you to provide the information contained in this notice to your customers who invested in 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 Issue Prospectus relating to the Notes dated 5 June 2006 or the PPMS. The Issue Prospectus, the PPMS and certain other documents and information in relation to the Notes can be viewed on the following website: [www.morganstanley.com/octavenotes](http://www.morganstanley.com/octavenotes).

Yours faithfully



**VICTORIA PEAK INTERNATIONAL FINANCE LIMITED**

**BY: Kareem Robinson**

**1 December 2009**

**OCTAVE NOTES SERIES 9**

**ANNEX TO NOTICE TO DISTRIBUTORS DATED 1 DECEMBER 2009**

**Part A**

**Reference Entity Notional Amount, Weighted Average Final Price, Reference Value and Loss Amount for each Reference Entity in respect of which Credit Events have occurred since the issue date of the Underlying Securities**

<b>Reference Entity</b>	<b>Reference Entity Notional Amount (USD)</b>	<b>Weighted Average Final Price</b>	<b>Reference Value (USD)</b>	<b>Loss Amount (USD)</b>
Tribune Company	100,000,000	4.1875%	4,187,500	95,812,500
Idearc Inc.	50,000,000	2.4%	1,200,000	48,800,000
Thomson	100,000,000	68.5%	68,500,000	31,500,000

**Part B**

**Lower Threshold Amount, Aggregate Loss Amount and remaining threshold amount in respect of the Underlying Securities as at the date of this notice**

<b>Lower Threshold Amount (USD)</b>	<b>Aggregate Loss Amount (USD)</b>	<b>Remaining threshold amount (USD)</b>
445,000,000	176,112,500	268,887,500