MORGAN STANLEY
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February 2019

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Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due February 23, 2023, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of salesforce.com, inc., the Common Stock of Microsoft Corporation and the Class A Common Stock of RingCentral, Inc.

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the determination closing price of **each** of the common stock of salesforce.com, inc., the common stock of Microsoft Corporation and the class A common stock of RingCentral, Inc., which we refer to collectively as the underlying stocks, is **at or above** 50% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of **any underlying stock** is less than its respective downside threshold level on any observation date, we will pay no interest for the related quarterly period. However, if the determination closing price of each of the underlying stocks is at or above its respective downside threshold level on any subsequent observation date, investors will receive, in addition to the contingent quarterly coupon for the related quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. In addition, the securities will be automatically redeemed if the determination closing price of **each underlying stock** is **greater than or equal to** its respective redemption threshold level on any quarterly redemption determination date (beginning approximately six months after the original issue date) for the early redemption payment equal to the sum of the stated principal amount plus the related contingent quarterly coupon and any previously unpaid contingent quarterly coupons from prior observation dates. At maturity, if the securities have not previously been redeemed and the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the payment at maturity will also be the sum of the stated principal amount plus the related contingent quarterly coupon and any previously unpaid contingent quarterly coupons from prior observation dates. However, if the final share price of **any underlying stock** is **less than** its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying stock on a 1-to-1 basis and will receive a payment at maturity that is less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons throughout the 4-year term of the securities.** The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly interest over the entire 4-year term and in exchange for the possibility of an automatic early redemption prior to maturity. Because the payment of contingent quarterly coupons is based on the worst performing of the underlying stocks, the fact that the securities are linked to three underlying stocks does not provide any asset diversification benefits and instead means that a decline of **any** underlying stock below the relevant downside threshold level will result in no contingent quarterly coupons, even if one or both of the other underlying stocks close at or above the respective downside threshold levels. Because all payments on the securities are based on the worst performing of the underlying stocks, a decline beyond the respective downside threshold level of any underlying stock will result in no contingent quarterly coupon payments and a significant loss of your investment, even if one or both of the other underlying stocks have appreciated or have not declined as much. Investors will not participate in any appreciation of any underlying stock. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

All payments are subject to our credit risk. If we default on our obligations, you could lose some or all of your investment. These securities are not secured obligations and you will not have any security interest in, or otherwise have any access to, any underlying reference asset or assets.

SUMMARY TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying stocks:	salesforce.com, inc. common stock (the "CRM Stock"), Microsoft Corporation common stock (the "MSFT Stock") and RingCentral, Inc. class A common stock (the "RNG Stock")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security
Pricing date:	February 15, 2019
Original issue date:	February 22, 2019 (4 business days after the pricing date)
Maturity date:	February 23, 2023
Early redemption:	The securities are not subject to early redemption until six months after the original issue date. Following this six-month non-call period, if, on any redemption determination date, beginning on August 15, 2019, the determination closing price of **each underlying stock** is greater than or equal to its respective redemption threshold level, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed.

	The securities will not be redeemed early on any early redemption date if the determination closing price of any underlying stock is below its respective redemption threshold level on the related redemption determination date.
Early redemption payment:	The early redemption payment will be an amount equal to (i) the stated principal amount for each security you hold *plus* (ii) the contingent quarterly coupon with respect to the related observation date and any previously unpaid contingent quarterly coupons from the prior observation dates.
Determination closing price:	With respect to each underlying stock, the closing price of such underlying stock on any redemption determination date or observation date (other than the final observation date), *times* the adjustment factor on such determination date or observation date, as applicable
Early redemption dates:	Quarterly, beginning after six months, on the fifth business day following each redemption determination date.
Contingent quarterly coupon:	A *contingent* quarterly coupon at an annual rate of 11.30% (corresponding to approximately $28.25 per quarter per security) *plus* any previously unpaid contingent quarterly coupons from any prior observation dates will be paid on the securities on each coupon payment date ***but only if*** the determination closing price of **each underlying stock** is at or above its respective downside threshold level on the related observation date; *provided, however,* in the case of any such payment of a previously unpaid contingent quarterly coupon, no additional interest shall accrue or be payable in respect of such unpaid contingent quarterly coupon from and after the end of the original interest period for such unpaid contingent quarterly coupon. You will not receive such unpaid contingent quarterly coupons if the determination closing price of any underlying stock is less than its respective redemption threshold level on each subsequent observation date. **If, on any observation date, the determination closing price of any underlying stock is less than its respective downside threshold level, no contingent quarterly coupon will be paid with respect to that observation date. It is possible that one or more underlying stocks will remain below their respective downside threshold levels for extended periods of time or even throughout the entire 4-year term of the securities so that you will receive few or no contingent quarterly coupons.**
Downside threshold level:	With respect to the CRM Stock, $, which is equal to 50% of its initial share price

	With respect to the MSFT Stock, $, which is equal to 50% of its initial share price With respect to the RNG Stock, $, which is equal to 50% of its initial share price
Payment at maturity:	If the securities are not redeemed prior to maturity, investors will receive a payment at maturity determined as follows: · If the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level: (i) the stated principal amount *plus* (ii) the contingent quarterly coupon with respect to the final observation date and any previously unpaid contingent quarterly coupons from the prior observation dates · If the final share price of **any underlying stock** is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the share performance factor of the worst performing underlying stock *Under these circumstances, the payment at maturity will be significantly less than the stated principal amount of $1,000, and will represent a loss of more than 50%, and possibly all, of your investment.*
	Terms continued on the following page
Agent:	Morgan Stanley & Co. LLC ("MS & Co."), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See "Supplemental information regarding plan of distribution; conflicts of interest."
Estimated value on the pricing date:	Approximately $956.60 per security, or within $15.00 of that estimate. See "Investment Summary" beginning on page 3.

Commissions and issue price:	**Price to public**	**Agent's commissions**[1]	**Proceeds to us**[2]
Per security	$1,000	$22.50	$977.50
Total	$	$	$

(1) *Selected dealers and their financial advisors will collectively receive from the agent, Morgan Stanley & Co. LLC, a fixed sales commission of $22.50 for each security they sell. In addition, selected dealers and their financial advisors will receive a structuring fee of $4.00 for each security. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying product supplement.*

(2) *See "Use of proceeds and hedging" on page 33.*

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 13.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying product supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposits or saving accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality, nor are they obligations of, or guaranteed by, a bank.

You should read this document together with the related product supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see "Additional Terms of the Securities" and "Additional Information About the Securities" at the end of this document.

As used in this document, "we," "us" and "our" refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Product Supplement for Auto-Callable Securities dated November 16, 2017 **Prospectus dated November 16, 2017**

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due February 23, 2023, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of salesforce.com, inc., the Common Stock of Microsoft Corporation and the Class A Common Stock of RingCentral, Inc.

Principal at Risk Securities

Terms continued from previous page:

Redemption determination dates:	August 15, 2019, November 15, 2019, February 18, 2020, May 15, 2020, August 17, 2020, November 16, 2020, February 16, 2021, May 17, 2021, August 16, 2021, November 15, 2021, February 15, 2022, May 16, 2022, August 15, 2022 and November 15, 2022, subject to postponement for non-trading days and certain market disruption events.
Redemption threshold level:	With respect to the CRM Stock, $, which is equal to 100% of its initial share price With respect to the MSFT Stock, $, which is equal to 100% of its initial share price With respect to the RNG Stock, $, which is equal to 100% of its initial share price
Initial share price:	With respect to the CRM Stock, $, which is its closing price on the pricing date With respect to the MSFT Stock, $, which is its closing price on the pricing date With respect to the RNG Stock, $, which is its closing price on the pricing date
Coupon payment dates:	Quarterly, on the fifth business day following each observation date; *provided* that the contingent quarterly coupon, if any, with respect to the final observation date shall be paid on the maturity date.
Observation dates:	May 15, 2019, August 15, 2019, November 15, 2019, February 18, 2020, May 15, 2020, August 17, 2020, November 16, 2020, February 16, 2021, May 17, 2021, August 16, 2021, November 15, 2021, February 15, 2022, May 16, 2022, August 15, 2022, November 15, 2022 and February 15, 2023, subject, independently in the case of each underlying stock, to postponement for non-trading days and certain market disruption events. We also refer to February 15, 2023 as the final observation date.
Final share price:	With respect to each underlying stock, the closing price of such underlying stock on the final observation date *times* the adjustment factor on such date
Adjustment factor:	With respect to each underlying stock, 1.0, subject to adjustment in the event of certain corporate events affecting such underlying stock
Worst performing underlying stock:	The underlying stock with the largest percentage decrease from the respective initial share price to the respective final share price
Share performance factor:	Final share price *divided by* the initial share price
CUSIP / ISIN:	61768DR23 / US61768DR238

Listing:	The securities will not be listed on any securities exchange.

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Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

Contingent Income Auto-Callable Securities due February 23, 2023, with 6-month Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the Common stock of salesforce.com, inc., the Common Stock of Microsoft Corporation and the Class A Common Stock of RingCentral, Inc. (the "securities") do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon at an annual rate of 11.30% **but only if** the determination closing price of **each underlying stock** is **at or above** 50% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of **any underlying stock** is less than its downside threshold level on any observation date, we will pay no coupon for the related quarterly period. However, if the determination closing price of each of the underlying stocks is at or above its respective downside threshold level on any subsequent observation date, investors will receive, in addition to the contingent quarterly coupon for the related quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. It is possible that the determination closing price of **one or more underlying stocks will remain below their respective downside threshold levels** for extended periods of time or even throughout the entire 4-year term of the securities so that you will receive few or no contingent quarterly coupons during the entire term of the securities. We refer to these coupons as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date. Even if all of the underlying stocks were to be at or above their respective downside threshold levels on some quarterly observation dates, one or more underlying stocks may fluctuate below the respective downside threshold level(s) on others, and the underlying stocks may not close at or above their respective downside threshold level on any subsequent observation date, in which case you will not receive payment of any unpaid previously contingent quarterly coupons. In addition, if the securities have not been automatically called prior to maturity and the final share price of **any underlying stock** is less than its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying stock on a 1-to-1 basis, and will receive a payment at maturity that is less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly payments throughout the entire 4-year term of the securities.**

Maturity:	Approximately 4 years
Contingent quarterly	A *contingent* quarterly coupon at an annual rate of 11.30% (corresponding to approximately $28.25 per quarter per security) will be paid on the securities on each coupon payment date **but only if** the

coupon:	determination closing price of **each underlying stock** is at or above its respective downside threshold level on the related observation date.
	If the contingent quarterly coupon is not paid on any coupon payment date (because the determination closing price of an underlying stock on the related observation date is less than the downside threshold level), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the determination closing price of each underlying stock on such later observation date is greater than or equal to the respective downside threshold level. You will not receive such unpaid contingent quarterly coupon if the determination closing price of any underlying stock on each subsequent observation date is less than its respective downside threshold level. If the determination closing price of any underlying stock on each observation date is less than its respective downside threshold level, you will not receive any contingent quarterly coupon for the entire term of the securities.
Automatic early redemption quarterly beginning in August	Starting in August 2019, if the determination closing price of **each underlying stock** is greater than or equal to its respective redemption threshold level (equal to 100% of the respective initial share price) on any quarterly determination date, beginning on August 15, 2019 (approximately six months after the original issue date), the securities will be

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Principal at Risk Securities

2019:	automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date and any previously unpaid contingent quarterly coupons from prior observation dates.
Payment at maturity:	If the securities have not previously been redeemed and the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the payment at maturity will be the sum of the stated principal amount *plus* the related contingent quarterly coupon and any previously unpaid contingent quarterly coupons from prior observation dates. If the final share price of **any underlying stock** is less than its downside threshold level, investors will receive a payment at maturity based on the decline in the worst performing underlying stock over the term of the securities. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.**

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Principal at Risk Securities

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date will be less than $1,000. We estimate that the value of each security on the pricing date will be approximately $956.60, or within $15.00 of that estimate. Our estimate of the value of the securities as determined on the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

In valuing the securities on the pricing date, we take into account that the securities comprise both a debt component and a performance-based component linked to the underlying stocks. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying stocks, instruments based on the underlying stocks, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the contingent quarterly coupon rate, the redemption threshold levels and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more terms of the securities would be more favorable to you.

What is the relationship between the estimated value on the pricing date and the secondary market price of the securities?

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying stocks, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying stocks, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

MS & Co. may, but is not obligated to, make a market in the securities, and, if it once chooses to make a market, may cease doing so at any time.

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Principal at Risk Securities

Key Investment Rationale

The securities do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the determination closing price of **each underlying stock** is **at or above** its respective downside threshold level on the related observation date. The securities have been designed for investors who are willing to forgo market floating interest rates and risk the loss of principal and accept the risk of receiving few or no coupon payments for the entire 4-year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if all of the underlying stocks close at or above their respective downside threshold levels, unless the securities are redeemed early. The following scenarios are for illustration purposes only to demonstrate how the coupon and the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed, the contingent coupon may be payable in none of, or some but not all of, the quarterly periods during the 4-year term of the securities, and the payment at maturity may be less than 50% of the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity	This scenario assumes that, prior to early redemption, all of the underlying stocks close at or above their respective downside threshold levels on some quarterly observation dates, but one or more underlying stocks close below the respective downside threshold level(s) on the others. Investors receive the contingent quarterly coupon, as well as any previously unpaid contingent quarterly coupons form prior observation dates, for the quarterly periods for which the determination closing price of each underlying stock is greater than or equal to the respective downside threshold level on the related observation date. Starting on August 15, 2019, when all of the underlying stocks close at or above their respective redemption threshold levels on a quarterly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date and any previously unpaid contingent quarterly coupons from prior observation dates.
Scenario 2: The securities are not redeemed prior to maturity, and investors receive	This scenario assumes that all of the underlying stocks close at or above their respective downside threshold levels on some quarterly observation dates, but one or more underlying stocks close below the respective downside threshold level(s) on the others, and at least one of the underlying stocks closes below its redemption threshold level on every quarterly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent

principal back at maturity	quarterly coupon, as well as any previously unpaid contingent quarterly coupons form prior observation dates, for the quarterly periods for which the determination closing price of each underlying stock is greater than or equal to the respective downside threshold level on the related observation date. On the final observation date, all of the underlying stocks close at or above their respective downside threshold levels. At maturity, in addition to the contingent quarterly coupon with respect to the final observation date and any previously unpaid contingent quarterly coupons form prior observation dates, investors will receive the stated principal amount.

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Principal at Risk Securities

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity	This scenario assumes that all of the underlying stocks close at or above their respective downside threshold levels on some quarterly observation dates, but one or more underlying stocks close below the respective downside threshold level(s) on the others, and at least one of the underlying stocks closes below its redemption threshold level on every quarterly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent quarterly coupon, as well as any previously unpaid contingent quarterly coupons form prior observation dates, for the quarterly periods for which the determination closing price of each underlying stock is greater than or equal to the respective downside threshold level on the related observation date. On the final observation date, one or more underlying stocks close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the share performance factor of the worst performing underlying stock. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount and could be zero. No coupon will be paid at maturity in this scenario, and investors will not receive payment of any previously unpaid contingent quarterly coupons at maturity.

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Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the determination closing prices on each quarterly observation date, (2) the determination closing prices on each quarterly redemption determination date and (3) the final share prices. Please see “Hypothetical Examples” below for an illustration of hypothetical payouts on the securities.

Diagram #1: Contingent Quarterly Coupons (Beginning on the First Coupon Payment Date until Early Redemption or Maturity)

Diagram #2: Automatic Early Redemption (Starting in August 2019)

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Diagram #3: Payment at Maturity if No Automatic Early Redemption Occurs

For more information about the payout at maturity in different hypothetical scenarios, see "Hypothetical Examples" below.

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Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent quarterly coupon is paid with respect to an observation date and how to calculate the payment at maturity, if any, assuming the securities are not redeemed prior to maturity. The following examples are for illustrative purposes only. Whether you receive a contingent quarterly coupon will be determined by reference to the determination closing price of each underlying stock on each quarterly observation date. Whether the securities are redeemed early will be determined by reference to the determination closing price of each underlying stock on each quarterly determination date (beginning approximately six months after the original issue date) and the payment at maturity, if any, will be determined by reference to the final share price of each underlying stock on the final determination date. The actual initial share price and downside threshold level for each underlying stock will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The below examples are based on the following terms:

Contingent Quarterly Coupon:	11.30% per annum, (corresponding to approximately $28.25 per quarter per security)[1] **With respect to each coupon payment date, a contingent quarterly coupon *plus* any previously unpaid quarterly coupons from any prior observation dates is paid but only if the determination closing price of each underlying stock is at or above its respective downside threshold level on the related observation date.**
Payment at Maturity (if the securities are not redeemed prior to maturity):	If the final share price of **each** underlying stock is **greater than or equal to** its respective downside threshold level: the stated principal amount *plus* the contingent quarterly coupon with respect to the final observation date and any previously unpaid contingent quarterly coupons from the prior observation dates If the final share price of **any** underlying stock is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the share performance factor of the worst performing underlying stock
Stated Principal Amount:	$1,000
Hypothetical Initial Share Price:	With respect to the CRM Stock: $150.00 With respect to the MSFT Stock: $101.00 With respect to the RNG Stock: $95.00

Hypothetical Downside Threshold Level:	With respect to the CRM Stock: $75.00, which is 50% of its hypothetical initial share price With respect to the MSFT Stock: $50.50, which is 50% of its hypothetical initial share price With respect to the RNG Stock: $47.50, which is 50% of its hypothetical initial share price

[1] The actual contingent quarterly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 day count basis. The hypothetical contingent quarterly coupon of $28.25 is used in these examples for ease of analysis.

How to determine whether a contingent quarterly coupon is payable with respect to an observation date:

	Determination Closing Price			Hypothetical Contingent Quarterly Coupon
	CRM Stock	MSFT Stock	RNG Stock	
1st Quarterly Observation Date	$85.00 (**at or above** its downside threshold level)	$75.00 (**at or above** its downside threshold level)	$55.00 (**at or above** its downside threshold level)	$28.25
2nd Quarterly Observation Date	$95.00 (**at or above** its downside threshold level)	$50.00 (**below** its downside threshold level)	$65.00 (**at or above** its downside threshold level)	$0
3rd Quarterly Observation Date	$80.00 (**at or above** its downside threshold level)	$80.00 (**at or above** its downside threshold level)	$60.00 (**at or above** its downside threshold level)	$28.25 + $28.25 = $56.50
4th Quarterly Observation Date	$65.00 (**below** its downside threshold level)	$45.00 (**below** its downside threshold level)	$45.00 (**below** its downside threshold level)	$0

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On hypothetical observation date 1, each of the underlying stocks closes at or above its respective downside threshold level. Therefore, a hypothetical contingent quarterly coupon of $28.25 is paid on the relevant coupon payment date.

On hypothetical observation date 2, two underlying stocks close at or above their respective downside threshold levels, but the other underlying stock closes below its respective downside threshold level. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 3, each of the underlying stocks closes at or above its respective downside threshold level. Therefore, investors receive the hypothetical contingent quarterly coupon with respect to the third observation date as well as the previously unpaid contingent quarterly coupon with respect to the second observation date.

On hypothetical observation date 4, each of the underlying stocks closes below its respective downside threshold level, and accordingly no contingent quarterly coupon is paid on the relevant coupon payment date.

You will not receive a contingent quarterly coupon on any coupon payment date if the determination closing price of any underlying stock is below its respective downside threshold level on the related observation date.

How to calculate the payment at maturity:

In the following examples, one or more underlying stocks close below the respective redemption threshold levels on each redemption determination date, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

Final Share Price			Payment at Maturity
CRM Stock	MSFT Stock	RNG Stock	

Example 1:	$160.00 (**at or above** its downside threshold level)	$110.00 (**at or above** its downside threshold level)	$105.00 (**at or above** its downside threshold level)	$1,000 *plus* the contingent quarterly coupon with respect to the final observation date and any previously unpaid contingent quarterly coupons from the prior observation dates
Example 2:	$30.00 (**below** its downside threshold level)	$75.00 (**at or above** its downside threshold level)	$61.00 (**at or above** its downside threshold level)	$1,000 x share performance factor of the worst performing underlying stock = $1,000 x ($30.00 / $150.00) = $200.00
Example 3:	$80.00 (**at or above** its downside threshold level)	$88.00 (**at or above** its downside threshold level)	$42.75 (**below** its downside threshold level)	$1,000 x ($42.75 / $95.00) = $450.00
Example 4:	$60.00 (**below** its downside threshold level)	$45.45 (**below** its downside threshold level)	$41.80 (**below** its downside threshold level)	$1,000 x ($60.00 / $150.00) = $400.00
Example 5:	$67.50 (**below** its downside threshold level)	$30.30 (**below** its downside threshold level)	$41.80 (**below** its downside threshold level)	$1,000 x ($30.30 / $101.00) = $300.00

In example 1, the final share prices of each of the CRM Stock, MSFT Stock and RNG Stock are at or above their respective downside threshold levels. Therefore, investors receive at maturity the stated principal amount of the securities *plus* the hypothetical contingent quarterly coupon with respect to the final observation date and any previously unpaid contingent quarterly coupons from the prior observation dates. Investors do not participate in the appreciation of any of the underlying stocks.

In example 2, the final share prices of two underlying stocks are above their respective downside threshold levels, but the final share price of the other underlying stock is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity and receive an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock.

In example 3, the final share prices of two underlying stocks are at or above their respective downside threshold levels, but the final share price of the other underlying stock is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity and receive at maturity an amount equal to the stated principal amount times the share performance factor of the worst performing underlying stock.

In examples 4 and 5, the final share prices of all of the underlying stocks are below their respective downside threshold levels, and investors receive at maturity an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock. In example 4, the CRM Stock has declined 60% from its initial share price to its final share price, the MSFT Stock has declined 55% from its initial share price to its final share price and the RNG Stock has declined 56% from its initial share price to its final share price. Therefore, the payment at maturity equals the stated principal amount *times* the share performance factor of the CRM Stock, which represents the worst performing underlying stock in this example. In example 5, the CRM Stock has declined 55% from its initial share price to its final share price, the MSFT Stock has declined 70% from its initial share price to its final share price and the RNG Stock has declined 56% from its initial share price to its final share price. Therefore the payment at maturity equals the stated principal amount *times* the share performance factor of the MSFT Stock, which represents the worst performing underlying stock in this example.

If the final share price of ANY underlying stock is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying stock at maturity, and your payment at maturity will be less than 50% of the stated principal amount per security and could be zero.

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Principal at Risk Securities

Risk Factors

The following is a list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying product supplement and prospectus. You should also consult with your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

§ **The securities do not guarantee the return of any principal.** The terms of the securities differ from those of ordinary debt securities in that they do not guarantee the return of any of the principal amount at maturity. If the securities have not been automatically redeemed prior to maturity and if the final share price of **any** underlying stock is less than its downside threshold level of 50% of its initial share price, you will be exposed to the decline in the closing price of the worst performing underlying stock, as compared to its initial share price, on a 1-to-1 basis, and you will receive for each security that you hold at maturity an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock. In this case, the payment at maturity will be less than 50% of the stated principal amount and could be zero. **You could lose up to your entire investment in the securities.**

§ **The securities do not provide for the regular payment of interest and may pay no interest over the entire term of the securities.** The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon but only if the determination closing price of each underlying stock is at or above 50% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of any underlying stock is lower than its downside threshold level on the relevant observation date for any interest period, we will pay no coupon on the applicable coupon payment date. However, if the determination closing price of each of the underlying stocks is at or above its respective downside threshold level on any subsequent observation date, investors will receive, in addition to the contingent quarterly coupon for the related quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. Nevertheless, it is possible that the determination closing price(s) of one or more underlying stocks could remain below the respective downside threshold level(s) for extended periods of time or even throughout the entire 4-year term of the securities so that you will receive few or no contingent quarterly coupons. If you do not earn sufficient contingent coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

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You are exposed to the price risk of all of the underlying stocks, with respect to both the contingent quarterly coupons, if any, and the payment at maturity, if any. Your return on the securities is not linked to a basket consisting of the underlying stocks. Rather, it will be contingent upon the independent performance of each underlying stock. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is mitigated and diversified among all the components of the basket, you will be exposed to the risks related to each of the underlying stocks. Poor performance by **any** underlying stock over the term of the securities may negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying stocks. To receive **any** contingent quarterly coupons, **all** of the underlying stocks must close at or above their respective downside threshold levels on the applicable observation date. In addition, if **any** underlying stock has declined to below its respective downside threshold level as of the final observation date, you will be **fully exposed** to the decline in the worst performing underlying stock over the term of the securities on a 1-to-1 basis, even if the other underlying stocks have appreciated or have not declined as much. Under this scenario, the value of any such payment will be less than 50% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of all of the underlying stocks.

§ **The contingent coupon, if any, is based only on the determination closing prices of the underlying stocks on the related quarterly observation date at the end of the related interest period**. Whether the contingent coupon will be paid on any coupon payment date will be determined at the end of the relevant interest period based on the determination closing price of each underlying stock on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent coupon is based solely on the price of each underlying stock on

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quarterly observation dates, if the determination closing price of any underlying stock on any observation date is below the respective downside threshold level, you will receive no coupon for the related interest period, or any previously unpaid coupons, even if the price(s) of one or more of the underlying stocks were higher on other days during that interest period.

§ **Investors will not participate in any appreciation in the price of any underlying stock.** Investors will not participate in any appreciation in the price of any underlying stock from its initial share price, and the return on the securities will be limited to the contingent quarterly coupon, if any, that is paid with respect to each observation date on which all determination closing prices are greater than or equal to their respective downside threshold levels, if any.

§ **The market price will be influenced by many unpredictable factors.** Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market. We expect that generally the level of interest rates available in the market and the prices of the underlying stocks on any day, including in relation to the respective downside threshold levels, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

o the trading price and volatility (frequency and magnitude of changes in value) of the underlying stocks,

o whether the determination closing price of any underlying stock has been below its respective downside threshold level on any observation date,

o dividend rates on the underlying stocks,

o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying stocks and which may affect the prices of the underlying stocks,

o the time remaining until the securities mature,

o interest and yield rates in the market, o the availability of comparable instruments,

o the occurrence of certain events affecting the underlying stock that may or may not require an adjustment to the adjustment factor, and

o any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you sell your securities prior to maturity. For example, you may have to sell your securities at a substantial discount from the stated principal amount of $1,000 per security if the price of any underlying stock at the time of sale is near or below its downside threshold level or if market interest rates rise.

The prices of the underlying stocks may be, and have recently been, volatile, and we can give you no assurance that the volatility will lessen. The prices of the underlying stocks may decrease and be below the respective downside threshold level(s) on each observation date so that you will receive no return on your investment and receive a payment at maturity that is less than 50% of the stated principal amount and could be zero. There can be no assurance that the determination closing prices of all of the underlying stocks will be at or above their respective downside threshold levels on any observation date so that you will receive a coupon payment on the securities for the applicable interest period, or, with respect to the final observation date, so that you do no suffer a significant loss on your initial investment in the securities. See "salesforce.com, inc. Overview," "Microsoft Corporation Overview" and "RingCentral, Inc. Overview" below.

§ **The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities.** You are dependent on our ability to pay all amounts due on the securities on each coupon payment date, upon automatic redemption and at maturity and therefore you are subject to our credit risk. The securities are not guaranteed by any other entity. If we default on our obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result,

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the market value of the securities prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.

§ **As a finance subsidiary, MSFL has no independent operations and will have no independent assets.** As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

§ **Reinvestment risk.** The term of your investment in the securities may be shortened due to the automatic early redemption feature of the securities. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly coupons and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns. However, under no circumstances will the securities be redeemed in the first six months of the term of the securities.

§ **Investing in the securities is not equivalent to investing in the common stock of salesforce.com, inc., the common stock of Microsoft Corporation or the class A common stock of RingCentral, Inc.** Investors in the securities will not participate in any appreciation in the underlying stocks, and will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying stocks.

§ **No affiliation with salesforce.com, inc., Microsoft Corporation or RingCentral, Inc.** salesforce.com, inc., Microsoft Corporation and RingCentral, Inc. are not affiliates of ours, are not involved with this offering in any way, and have no obligation to consider your interests in taking any corporate actions that might affect the value of the securities. We have not made any due diligence inquiry with respect to salesforce.com, inc., Microsoft Corporation or RingCentral, Inc. in connection with this offering.

§ **We may engage in business with or involving salesforce.com, inc., Microsoft Corporation or RingCentral, Inc. without regard to your interests.** We or our affiliates may presently or from time to time engage in business with salesforce.com, inc., Microsoft Corporation or RingCentral, Inc. without regard to your interests and thus may acquire non-public information about salesforce.com, inc., Microsoft Corporation or RingCentral, Inc. Neither we nor any of our affiliates undertakes to disclose any such information to you. In addition, we or our affiliates from time to time have published and in the future may publish research reports with respect to salesforce.com, inc., Microsoft Corporation or RingCentral, Inc., which may or may not recommend that investors buy or hold the underlying stock(s).

§ **The antidilution adjustments the calculation agent is required to make do not cover every corporate event that could affect the underlying stocks.** MS & Co., as calculation agent, will adjust the adjustment factors for certain corporate events affecting the underlying stocks, such as stock splits and stock dividends, and certain other corporate actions involving the issuers of the underlying stocks, such as mergers. However, the calculation agent will not make an adjustment for every corporate event that can affect the underlying stocks. For example, the calculation agent is not required to make any adjustments if the issuers of the underlying stocks or anyone else makes a partial tender or partial exchange offer for the underlying stocks, nor will adjustments be made following the final observation date. If an event occurs that does not require the calculation agent to adjust an adjustment factor, the market price of the securities may be materially and adversely affected.