MORGAN STANLEY
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Morgan Stanley Finance LLC

STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due August 28, 2020, With 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Performance of the S&P 500® Index

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, index 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 index closing value of the underlying index is **at or above** the coupon barrier level of 80% of the initial index value on the related observation date. If, however, the index closing value of the underlying index is less than the coupon barrier level on any observation date, we will pay no interest for the related quarterly period. In addition, if the index closing value of the underlying index is greater than or equal to the initial index value on any quarterly redemption determination date (beginning after six months), the securities will be automatically redeemed for the early redemption payment equal to the sum of the stated principal amount plus the related contingent quarterly coupon. At maturity, if the securities have not previously been redeemed and the index closing value of the underlying index has remained greater than or equal to 80% of the initial index value, which we refer to as the downside threshold level, on **each index business day** during the term of the securities, the payment at maturity will be the stated principal amount and the related contingent quarterly coupon. If, however, the index closing value of the underlying index is less than the downside threshold level on **any index business day** during the term of the securities, a trigger event will have occurred and investors will be fully exposed to the decline in the underlying index on a 1-to-1 basis and, if the final index value of the underlying index is less than the initial index value, investors will receive a payment at maturity that is less than 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 1.5-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 coupons over the entire 1.5-year term, with no possibility of being called out of the securities until after the initial 6-month non-call period. Investors will not participate in any appreciation of the underlying index. 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 index:	S&P 500® Index
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security
Pricing date:	February 25, 2019
Original issue date:	February 28, 2019 (3 business days after the pricing date)
Maturity date:	August 28, 2020
Early redemption:	The securities are not subject to automatic early redemption until approximately six months after the original issue date. Following this six-month initial non-call period, if, on any of the redemption determination dates, beginning on August 26, 2019, the index closing value of the underlying index is **greater than or equal to** the initial index value, 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 index closing value of the underlying index is below the initial index value 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.
Contingent quarterly coupon:	A *contingent* coupon at an annual rate of 7.00% to 9.00% **(corresponding to approximately $17.50 to $22.50 per quarter per security, to be determined on the pricing date)** will be paid on the securities on each coupon payment date ***but only if*** the closing value of **the underlying index** is at or above the coupon barrier level on the related observation date. **If, on any observation date, the closing value of the underlying index is less than the coupon barrier level, we will pay no coupon for the applicable quarterly period. It is possible that the underlying index will remain below the coupon barrier level for extended periods of time or even throughout the entire 1.5-year term of the securities so that you will receive few or no contingent quarterly coupons.**
Trigger event:	A trigger event occurs if, on any index business day from but excluding the pricing date to and including the final observation date, the closing level of the underlying index is less than the downside

	threshold level. If a trigger event occurs on **any index business day** during the term of the securities, you will be exposed to the downside performance of the underlying index at maturity.
Payment at maturity:	At maturity, investors will receive, in addition to the final contingent quarterly coupon payment, if payable, a payment at maturity determined as follows: **If a trigger event HAS NOT occurred on any index business day from but excluding the pricing date to and including the final observation date**: the stated principal amount **If a trigger event HAS occurred on any index business day from but excluding the pricing date to and including the final observation date:** (i) the stated principal amount *multiplied by* (ii) the index performance factor, subject to a maximum payment at maturity of the stated principal amount. If a trigger event occurs and the final index value of the underlying index is less than the initial index value, the payment at maturity will be less than the stated principal amount of the securities and could be zero. Under no circumstances will investors participate in any appreciation of the underlying index.
	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 $970.30 per security, or within $15.00 of that estimate. See "Investment Summary" beginning on page 3.

Commissions and issue price:	**Price to public[1]**	**Agent's commissions and fees[2]**	**Proceeds to us[3]**
Per security	$1,000	$	$
Total	$	$	$

(1) Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $ for each security they sell. 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 25.

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 12.

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, index supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposits or savings 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, index 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	**Index Supplement dated November 16, 2017**	**Prospectus dated November 16, 2017**

Morgan Stanley Finance LLC

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All Payments on the Securities Based on the Performance of the S&P 500® Index

Principal at Risk Securities

Terms continued from previous page:

Redemption determination dates:	Beginning after six months, quarterly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below, subject to postponement for non-index business days and certain market disruption events.
Early redemption dates:	Starting on August 29, 2019 (approximately six months after the original issue date), quarterly. See "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below. If any such day is not a business day, that early redemption payment will be made on the next succeeding business day and no adjustment will be made to any early redemption payment made on that succeeding business day.
Coupon barrier level:	, which is 80% of the initial index value
Downside threshold level:	, which is 80% of the initial index value
Initial index value:	, which is the index closing value on the pricing date
Final index value:	The index closing value on the final observation date
Index performance factor:	Final index value *divided by* the initial index value
Coupon payment dates:	Quarterly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below; *provided* that if any such day is not a business day, that contingent quarterly coupon, if any, will be paid on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day; *provided further* that the contingent quarterly coupon, if any, with respect to the final observation date will be paid on the maturity date
Observation dates:	Quarterly, as set forth under "Observation Dates, Coupon Payment Dates and Early Redemption Dates" below, subject to postponement for non-index business days and certain market disruption events. We also refer to August 25, 2020 as the final observation date.
CUSIP / ISIN:	61768DL78 / US61768DL785
Listing:	The securities will not be listed on any securities exchange.

Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates

Observation Dates / Redemption Determination Dates	Coupon Payment Dates / Early Redemption Dates

May 28, 2019*	May 31, 2019*
August 26, 2019	August 29, 2019
November 25, 2019	November 29, 2019
February 25, 2020	February 28, 2020
May 26, 2020	May 29, 2020
August 25, 2020 (final observation date)**	August 28, 2020 (maturity date)

* The securities are not subject to automatic early redemption until the second coupon payment date, which is August 29, 2019.

**The securities are not subject to automatic early redemption on the final observation date.

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All Payments on the Securities Based on the Performance of the S&P 500® Index

Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

Contingent Income Auto-Callable Securities due August 28, 2020, With 6-Month Initial Non-Call Period All Payments on the Securities Based on the Performance of the S&P 500® Index (the "securities") do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the index closing value of the underlying index is **at or above** 80% of its initial index value, which we refer to as the coupon barrier level, on the related observation date. If the index closing value of the underlying index is less than the coupon barrier level on any observation date, we will pay no coupon for the related quarterly period. It is possible that the index closing value of the underlying index could remain below the coupon barrier level for extended periods of time or even throughout the entire 1.5-year term of the securities so that you will receive few or no contingent quarterly coupons during the 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 the underlying index were to be at or above the coupon barrier level on some quarterly observation dates, the underlying index may fluctuate below the coupon barrier level on others. In addition, if the securities have not been automatically called prior to maturity and the index closing value of the underlying index is less than 80% of the initial index value, which we refer to as the downside threshold level, on **any index business day** during the term of the securities, a trigger event will have occurred and investors will be fully exposed to the decline in the underlying index on a 1-to-1 basis and, if the final index value of the underlying index is less than the initial index value, investors will receive a payment at maturity that is less than the stated principal amount of the securities and could be zero. Investors will not participate in any appreciation of the underlying index. **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 entire 1.5-year term of the securities.**

Maturity:	1.5 years
Contingent quarterly coupon:	A *contingent quarterly coupon* at an annual rate of 7.00% to 9.00% (corresponding to approximately $17.50 to $22.50 per quarter per security, to be determined on the pricing date) will be paid on the securities on each coupon payment date **but only if** the closing value of the underlying index is at or above the coupon barrier level on the related observation date. **If on any observation date, the closing value of the underlying index is less than the coupon barrier**

	level, we will pay no coupon for the applicable quarterly period.
Automatic early redemption beginning after six months:	If the index closing value of the underlying index is greater than or equal to the initial index value on any quarterly redemption determination date, beginning on August 26, 2019 (approximately six months after the original issue date), the securities will be 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.
Trigger event:	A trigger event occurs if, on any index business day from but excluding the pricing date to and including the final observation date, the closing level of the underlying index is less than the downside threshold level. If a trigger event occurs on **any index business day** during the term of the securities, investors will be exposed to the downside performance of the underlying index at maturity.
Payment at maturity:	At maturity, investors will receive, in addition to the final contingent quarterly coupon payment, if payable, a payment at maturity determined as follows: **If a trigger event HAS NOT occurred on any index business day from but excluding the pricing date to and including the final observation date**, investors will receive at maturity the stated principal amount. **If a trigger event HAS occurred on any index business day from but excluding the pricing date to and including the final observation date**, investors will receive a payment at maturity equal to: (i) the stated principal amount *multiplied by* (ii) the index

performance factor, subject to a maximum payment at maturity of the stated principal amount.

If a trigger event occurs and the final index value of the underlying index is less than the initial index value, the payment at maturity will be less than 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. Investors will not participate in any appreciation of the underlying index.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due August 28, 2020, With 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Performance of the S&P 500® Index

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 $970.30, 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 index. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying index, instruments based on the underlying index, 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 coupon barrier level and the downside threshold level, 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 of the economic 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 index, 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 5 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 index, 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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All Payments on the Securities Based on the Performance of the S&P 500® Index

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 index closing value of the underlying index is **at or above** the coupon barrier level on the related observation date. The securities have been designed for investors who are willing to forgo market floating interest rates and accept the risk of receiving no coupon payments for the entire 1.5-year term of the securities in exchange for an opportunity to earn interest at a potentially above market rate if the underlying index closes at or above the coupon barrier level on each quarterly observation date until the securities are redeemed early or reach maturity. The following scenarios are for illustrative 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 1.5-year term of the securities and the payment at maturity may be less than 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, the underlying index closes at or above the coupon barrier level on some quarterly observation dates, but the underlying index closes below the coupon barrier level on the others. Investors receive the contingent quarterly coupon for the quarterly periods for which the index closing value is at or above the coupon barrier level on the related observation date, but not for the quarterly periods for which the index closing value is below the coupon barrier level on the related observation date. Starting after six months, when the underlying index closes at or above the initial index value 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.
Scenario 2: The securities are not redeemed prior to maturity and investors receive principal back at maturity	This scenario assumes that a trigger event has not occurred, as the underlying index has closed at or above the downside threshold level on each index business day during the term of the securities. In addition, the underlying index closes below the initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed, and investors receive the contingent quarterly coupon for each quarterly period, as the index closing value was at or above the coupon barrier level on each observation date. Because a trigger event has not occurred on any index business day

during the term of the securities, at maturity, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.

Scenario 3: The securities are not redeemed prior to maturity, a trigger event occurs on any index business day during the term of the securities and investors suffer a loss of principal at maturity	This scenario assumes that the underlying index closes at or above the coupon barrier level on some quarterly observation dates, but below the coupon barrier level on the others, and the underlying index closes below the initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed and a trigger event will have occurred. Investors receive the contingent quarterly coupon for the quarterly periods for which the index closing value is at or above the coupon barrier level on the related observation date, but not for the quarterly periods for which the index closing value is below the coupon barrier level on the related observation date. On the final observation date, the underlying index closes below the initial index value. At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor. Under these circumstances, the payment at maturity will be less than the stated principal amount and could be zero.

If a trigger event occurs on **any** index business day during the term of the securities, investors will have full downside exposure to the underlying index at maturity. Under these circumstances, if the final index value of the underlying index is less than the initial index value, investors will lose some or all of their investment in the securities.

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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 index closing values on each quarterly observation date, (2) the index closing values on each quarterly redemption determination date (starting after six months) and (3) the final index value. Please see "Hypothetical Examples" beginning on page 10 for 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 After Six Months)

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

For more information about the payout upon an early redemption or at maturity in different hypothetical scenarios, see "Hypothetical Examples" starting on page 10.

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Principal at Risk Securities

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 the securities have not been automatically redeemed early. The following examples are for illustrative purposes only. Whether you receive a contingent quarterly coupon will be determined by reference to the index closing value of the underlying index on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the index closing value of the underlying index throughout the term of the securities. The actual initial index value, coupon barrier level and downside threshold level for the underlying index will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The numbers in the hypothetical examples below may have been rounded for the ease of analysis. The below examples are based on the following terms:

Hypothetical Contingent Quarterly Coupon:	8.00% per annum (corresponding to approximately $20.00 per quarter per security, the midpoint of the range set forth on the cover of this document)* **With respect to each coupon payment date, a contingent quarterly coupon is paid but only if the index closing value of the underlying index is at or above the coupon barrier level on the related observation date.**
Automatic Early Redemption (starting after six months):	If the index closing value of the underlying index is greater than or equal to the initial index value on any quarterly redemption determination date, the securities will be 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.
Trigger event:	A trigger event occurs if, on any index business day from but excluding the pricing date to and including the final observation date, the closing level of the underlying index is less than the downside threshold level. If a trigger event occurs on **any index business day** during the term of the securities, investors will be exposed to the downside performance of the underlying index at maturity.
Payment at Maturity (if the securities have not been automatically redeemed early):	At maturity, investors will receive, in addition to the final contingent quarterly coupon payment, if payable, a payment at maturity determined as follows: **If a trigger event HAS NOT occurred on any index business day from but excluding the pricing date to and including the final observation date**: the stated principal amount

If a trigger event HAS occurred on any index business day from but excluding the pricing date to and including the final observation date: (i) the stated principal amount *multiplied by* (ii) the index performance factor, subject to a maximum payment at maturity of the stated principal amount.

If a trigger event occurs and the final index value of **the underlying index** is less than the initial index value, the payment at maturity will be less than the stated principal amount of the securities and could be zero.

Under no circumstances will investors participate in any appreciation of the underlying index.

Stated Principal Amount:	$1,000
Hypothetical Initial Index Value:	2,500
Hypothetical Coupon Barrier Level:	2,000, which is 80% of the hypothetical initial index value
Hypothetical Downside Threshold Level:	2,000, which is 80% of the hypothetical initial index value

* The actual contingent quarterly coupon will be an amount determined by the calculation agent based on the actual contingent quarterly coupon rate and the number of days in the applicable payment period, calculated on a 30/360 basis. The hypothetical contingent quarterly coupon of $20.00 is used in these examples for ease of analysis.

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

	Closing Level	Contingent Quarterly Coupon
Hypothetical Observation Date 1	2,100 (**at or above** coupon barrier level)	$20.00
Hypothetical Observation Date 2	1,400 (**below** coupon barrier level)	$0

On hypothetical observation date 1, the underlying index closes at or above the coupon barrier level. Therefore a contingent quarterly coupon of $20.00 is paid on the relevant coupon payment date.

On hypothetical observation date 2, the underlying index closes below the coupon barrier 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 closing level of the underlying index is below the coupon barrier level on the related observation date.

How to calculate the payment at maturity (if the securities have not been automatically redeemed early):

Example 1: A trigger event HAS NOT occurred.

Final Index Value	3,000

Payment at Maturity	=$1,000.00 + $20.00 (contingent quarterly coupon for the final quarterly period)
	=$1,020.00

In example 1, the index closing value of the underlying index is at or above the downside threshold level on **each index business day** during the term of the securities. The final index value is 3,000, which is above the coupon barrier level. Therefore, a trigger event has not occurred and investors receive at maturity the stated principal amount of the securities and the contingent quarterly coupon with respect to the final observation date. However, investors do not participate in any appreciation of the underlying index.

Example 2: A trigger event HAS occurred.

Final Index Value		2,125
Payment at Maturity	=	\$20.00 (contingent quarterly coupon for the final quarterly period) + [\$1,000 x index performance factor, subject to a maximum of the stated principal amount]
	=	\$20.00 + [\$1,000 x (2,125 / 2,500)]
	=	\$870.00

In example 2, the index closing value of the underlying index is below the downside threshold level on one or more index business days during the term of the securities. The final index value of the underlying index is 2,125, which is above the coupon barrier level. However, because a trigger event has occurred, investors are exposed to the downside performance of the underlying index at maturity. Because the final index value of the underlying index is greater than the coupon barrier level, investors receive the contingent quarterly coupon with respect to the final observation date. The payment at maturity would be calculated as \$20.00 + [\$1,000 x (2,125 / 2,500)] = \$870.00.

Example 3: A trigger event HAS occurred.

Final Index Value		1,000
Payment at Maturity	=	\$1,000 x index performance factor

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=$1,000 x (1,000 / 2,500) = $400
=$400

In example 3, the index closing value of the underlying index is below the downside threshold level on one or more index business days during the term of the securities. Therefore, a trigger event has occurred, and investors are exposed to the downside performance of the underlying index at maturity. Because the final index value of the underlying index of 1,000 is below the coupon barrier level, investors do not receive the contingent quarterly coupon with respect to the final observation date. The payment at maturity would be calculated as $1,000 x (1,000 / 2,500) = $400.

If a trigger event occurs on any index business day during the term of the securities, investors will have full downside exposure to the underlying index at maturity. Under these circumstances, if the final index value of the underlying index is less than the initial index value, investors will lose some or all of their investment in the securities.

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All Payments on the Securities Based on the Performance of the S&P 500® Index

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, index supplement and prospectus. We also urge you to 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 repayment of any principal. If the securities have not been automatically redeemed prior to maturity and the index closing value of the underlying index is less than the downside threshold level on **any index business day** during the term of the securities, a trigger event will have occurred and you will be exposed to the decline in the closing value of the underlying index, as compared to the initial index value, on a 1-to-1 basis at maturity. If a trigger event occurs on any index business day during the term of the securities, investors will have full downside exposure to the underlying index at maturity. Under these circumstances, if the final index value of the underlying index is less than the initial index value, investors will lose some or all of their investment in the securities. In this case, you will receive for each security that you hold at maturity an amount equal to the stated principal amount *times* the index performance factor, subject to a maximum payment at maturity of the stated principal amount. **In this case, the payment at maturity will be less than the stated principal amount and could be zero.**

§ **The securities do not provide for the regular payment of interest.** 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 index closing value of the underlying index is **at or above** 80% of its initial index value, which we refer to as the coupon barrier level, on the related observation date. If, on the other hand, the index closing value of the underlying index is lower than the coupon barrier level on the relevant observation date for any interest period, we will pay no coupon on the applicable coupon payment date. Moreover, in such a case, a trigger event will necessarily have occurred, and you will have full downside exposure to the underlying index at maturity. It is possible that the index closing value of the underlying index will remain below the coupon barrier level for extended periods of time or even throughout the entire 1.5-year term of the securities so that you will receive few or no contingent quarterly coupons. If you do not earn sufficient contingent quarterly 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.

§ **The contingent quarterly coupon, if any, is based on the value of the underlying index on only the related quarterly observation date at the end of the related interest period.** Whether the contingent quarterly coupon will be paid on any coupon payment date will be determined at the end of the relevant interest period based on the closing value of the underlying index on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent quarterly coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent quarterly coupon is based solely on the value of the underlying index on quarterly observation dates, if the closing value of the underlying index on any observation date is below the coupon barrier level, you will receive no coupon for the related interest period, even if the level of the underlying index was at or above the coupon barrier level on other days during that interest period.

§ **Investors will not participate in any appreciation in the underlying index.** Regardless of whether or not a trigger event occurs, investors will not participate in any appreciation in the underlying index from the initial index value, and the return on the securities will be limited to the contingent quarterly coupons, if any, that are paid with respect to each observation date on which the index closing value of the underlying index is greater than or equal to the coupon barrier level.

§ **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 value of the underlying index on any index business day, including in relation to the coupon barrier level and downside threshold level, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due August 28, 2020, With 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Performance of the S&P 500® Index

Principal at Risk Securities

- the volatility (frequency and magnitude of changes in value) of the underlying index,
- whether a trigger event has occurred on any index business day during the term of the securities,
- whether the index closing value of the underlying index has been below the coupon barrier level on any observation date,
- geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying index or securities markets generally and which may affect the value of the underlying index,
- dividend rates on the securities underlying the underlying index,
- the time remaining until the securities mature,
- interest and yield rates in the market,
- the availability of comparable instruments,
- the composition of the underlying index and changes in the constituent stocks of such index, and
- 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. In particular, if the underlying index has closed near or below the coupon barrier level and downside threshold level, the market value of the securities is expected to decrease substantially, and you may have to sell your securities at a substantial discount from the stated principal amount of $1,000 per security.

You cannot predict the future performance of the underlying index based on its historical performance. The value of the underlying index may decrease and be below the coupon barrier level on each observation date so that you will receive no return on your investment, and the underlying index may close below the downside threshold level on any index business day during the term of the securities so that you are exposed to the negative performance of the underlying index at maturity. There can be no assurance that the index closing value of the underlying index will be at or above the coupon barrier level on any observation date so that you will receive a coupon payment on the securities for the applicable interest period, or that it will be at or above the downside threshold level on each index business day during the term of the securities so that you do not suffer a loss on your initial investment in the securities. See "S&P 500® Index 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 at maturity, upon early redemption or on any coupon payment date, 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, 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.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due August 28, 2020, With 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Performance of the S&P 500® Index

Principal at Risk Securities

§ **Not equivalent to investing in the underlying index.** Investing in the securities is not equivalent to investing in the underlying index or its component stocks. Investors in the securities will not participate in any positive performance of the underlying index, and will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the stocks that constitute the underlying index.

§ **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.

§ **The securities will not be listed on any securities exchange and secondary trading may be limited. Accordingly, you should be willing to hold your securities for the entire 1.5-year term of the securities.** The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. 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. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

§ **The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the inclusion of costs associated with issuing, selling, structuring and hedging the securities in the original issue price reduce the economic terms of the securities, cause the estimated value of the securities to be less than the original issue price and will adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the securities in secondary market transactions will likely be significantly lower than the original issue price, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the original issue price and borne by you and because the secondary market prices will reflect our secondary market credit spreads and the bid-offer spread that any dealer would charge in a secondary market transaction of this type as well as other factors.

The inclusion of the costs of issuing, selling, structuring and hedging the securities in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the securities less favorable to you than they otherwise would be.

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 5 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 index, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that those higher values will also be reflected in your brokerage account statements.

§ **The estimated value of the securities is determined by reference to our pricing and valuation models, which may differ from those of other dealers and is not a maximum or minimum secondary market price.** These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of securities, our models may yield a higher estimated value of the securities than those generated by others, including other dealers in the market, if they attempted to value the securities. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which dealers, including MS & Co., would be willing to purchase your securities in the secondary market (if any exists) at any time. The value of your securities at any time after the date of this pricing supplement will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions. See also “The market price will be influenced by many unpredictable factors” above.

§ **Hedging and trading activity by our affiliates could potentially affect the value of the securities.** One or more of our affiliates and/or third-party dealers expect to carry out hedging activities related to the securities (and to other instruments linked to the underlying index or its component stocks), including trading in the stocks that constitute the underlying index as well as in other instruments related to the underlying index. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. Some of our affiliates also trade the stocks that constitute the underlying index and other financial instruments related to the underlying index on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could potentially increase the initial index value, and, therefore, could increase (i) the value at or above which the underlying index must close on the redemption determination dates so that the securities are redeemed prior to maturity for the early redemption payment, (ii) the coupon barrier level, which is the value at or above which the underlying index must close on the observation dates in order for you to earn a contingent quarterly coupon, and (iii) the downside threshold level, which is the value at or above which the underlying index must close on each index business day during the term of the securities so that you are not exposed to the negative performance of the underlying index at maturity. Additionally, such hedging or trading activities during the term of the securities could affect the value of the underlying index throughout the term of the securities, and, accordingly, whether we redeem the securities prior to maturity, whether we pay a contingent quarterly coupon on the securities and the amount of cash you receive at maturity, if any.

§ **The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities.** As calculation agent, MS & Co. will determine the initial index value, the coupon barrier level and the downside threshold level, whether you receive a contingent quarterly coupon on each coupon payment date and/or at maturity, whether the securities will be redeemed on any early redemption date, whether a trigger event has occurred and the payment at maturity, if any. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events and the selection of a successor index or calculation of the index closing value in the event of a market disruption event or discontinuance of the underlying index. These potentially subjective determinations may adversely affect the payout to you at maturity, if any. For further information regarding these types of determinations, see "Description of Auto-Callable Securities— Auto-Callable Securities Linked to a Single Index and "—Calculation Agent and Calculations" in the accompanying product supplement In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

§ **Adjustments to the underlying index could adversely affect the value of the securities.** The publisher of the underlying index may add, delete or substitute the component stocks of the underlying index or make other methodological changes that could change the value of the underlying index. Any of these actions could adversely affect the value of the securities. The publisher of the