MORGAN STANLEY
Form 424B2
August 01, 2018

August 2018

Preliminary Pricing Supplement No. 836
Registration Statement Nos. 333-221595; 333-221595-01
Dated July 31, 2018
Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Contingent Income Securities due September 1, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® 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 prospectus 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 after the first 2.5 years. For the first 2.5 years, the securities will pay a fixed monthly coupon at the rate specified below. Thereafter, the securities will pay a contingent monthly coupon **but only if** the index closing value of **each of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index** on the related observation date is **at or above 60% of its respective initial index value**, which we refer to as the barrier level. If the index closing value **of any underlying index** is less than the barrier level for such index on any observation date after the first 2.5 years, we will pay no interest for the related interest period. At maturity, if the final index value of **each** underlying index is greater than or equal to the barrier level of 60% of the respective initial index value, the payment at maturity will be the stated principal amount and the related contingent monthly coupon. If, however, the final index value of **any** underlying index is less than its barrier level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is less than 60% 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 based on the performance of any underlying index and also the risk of not receiving any monthly coupons after the first 2.5 years. Investors will not participate in any appreciation of any underlying index.** Because payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective barrier level of **any** underlying index will result in few or no contingent monthly coupons after the first 2.5 years and/or a significant loss of your investment, even if one or both of the other underlying indices have appreciated or have not declined as much. These long-dated securities are for investors who are willing to risk their principal based on the worst performing of three underlying indices and who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving few or no monthly coupons after the first 2.5 years if **any underlying index** closes below the barrier level for such index on the observation dates. 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 indices:	Russell 2000® Index (the "RTY Index"), S&P 500® Index (the "SPX Index") and EURO STOXX 50® Index (the "SX5E Index")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Pricing date:	August 28, 2018
Original issue date:	August 31, 2018 (3 business days after the pricing date)
Maturity date:	September 1, 2033
Monthly coupon:	First 2.5 Years: On all coupon payment dates through March 2021, a fixed coupon at an annual rate of 7.00% (corresponding to approximately $5.8333 per month per security) is paid monthly. Last 12.5 Years: Beginning with the April 2021 coupon payment date, a *contingent* coupon at an annual rate of 7.00% (corresponding to approximately $5.8333 per month per security) is paid monthly *but only if* the closing value of **each underlying index** is **at or above** its respective barrier level on the related observation date. **If, on any observation date during the last 12.5 years, the closing value of any underlying index is less than the barrier level for such index, we will pay no coupon for the applicable interest period. It is possible that any or all underlying indices will remain below the respective barrier level(s) for extended periods of time or even throughout the last 12.5 years so that you will receive few or no contingent monthly coupons during that period.**
Barrier level:	With respect to the RTY Index: , which is 60% of the initial index value for such index With respect to the SPX Index: , which is 60% of the initial index value for such index With respect to the SX5E Index: , which is 60% of the initial index value for such index
Payment at maturity:	If the final index value of **each** underlying index is **greater than or equal to** its respective barrier level: the stated principal amount and the contingent monthly coupon with

	respect to the final observation date. If the final index value of **any** underlying index is **less than** its respective barrier level: (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 60% of the stated principal amount of the securities and could be zero. ***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 $898.00 per security, or within $40.00 of that estimate. See "Investment Summary" beginning on page 3.

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

(1) The price to public for investors purchasing the securities in fee-based advisory accounts will be $970 per security.

(2) Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $ for each security they sell; provided that dealers selling to investors purchasing the securities in fee-based advisory accounts will receive a sales commission of $ per security. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying prospectus supplement.

(3) See "Use of proceeds and hedging" on page 32.

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 prospectus 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 prospectus supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see "Additional Information About the Securities" at the end of this document.

References to "we," "us" and "our" refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

<u>Prospectus Supplement dated November 16, 2017</u> **<u>Index Supplement dated November 16, 2017</u>** **<u>Prospectus dated November 16, 2017</u>**

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Terms continued from previous page:

Initial index value:	With respect to the RTY Index: , which is the index closing value of such index on the pricing date With respect to the SPX Index: , which is the index closing value of such index on the pricing date With respect to the SX5E Index: , which is the index closing value of such index on the pricing date
Final index value:	With respect to each index, the respective index closing value on the final observation date
Worst performing underlying index:	The underlying index with the largest percentage decrease from the respective initial index value to the respective final index value
Index performance factor:	Final index value *divided by* the initial index value
Coupon payment dates:	Monthly, as set forth under "Observation Dates and Coupon Payment Dates" below. If any such day is not a business day, that monthly 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. The contingent monthly coupon, if any, with respect to the final observation date shall be paid on the maturity date.
Observation dates:	Monthly, beginning March 29, 2021, as set forth under "Observation Dates and Coupon Payment Dates" below, subject to postponement for non-index business days and certain market disruption events. We also refer to August 29, 2033 as the final observation date.
CUSIP / ISIN:	61768DBA2 / US61768DBA28
Listing:	The securities will not be listed on any securities exchange.

Observation Dates and Coupon Payment Dates

Observation Dates	Coupon Payment Dates
N/A	October 3, 2018
N/A	November 1, 2018
N/A	December 3, 2018
N/A	January 3, 2019
N/A	January 31, 2019
N/A	March 5, 2019

N/A	April 2, 2019
N/A	May 2, 2019
N/A	May 31, 2019
N/A	July 3, 2019
N/A	August 1, 2019
N/A	September 3, 2019
N/A	October 3, 2019
N/A	October 31, 2019
N/A	December 4, 2019
N/A	January 3, 2020
N/A	January 31, 2020
N/A	March 4, 2020
N/A	April 2, 2020
N/A	May 1, 2020
N/A	June 2, 2020
N/A	July 2, 2020
N/A	July 31, 2020
N/A	September 2, 2020
N/A	October 1, 2020
N/A	November 2, 2020
N/A	December 3, 2020
N/A	December 31, 2020
N/A	February 2, 2021
N/A	March 4, 2021
March 29, 2021	April 1, 2021
April 28, 2021	May 3, 2021
May 28, 2021	June 3, 2021
June 28, 2021	July 1, 2021
July 28, 2021	August 2, 2021
August 30, 2021	September 2, 2021
September 28, 2021	October 1, 2021
October 28, 2021	November 2, 2021
November 29, 2021	December 2, 2021
December 28, 2021	December 31, 2021
January 28, 2022	February 2, 2022
February 28, 2022	March 3, 2022
March 28, 2022	March 31, 2022
April 28, 2022	May 3, 2022
May 31, 2022	June 3, 2022
June 28, 2022	July 1, 2022
July 28, 2022	August 2, 2022
August 29, 2022	September 1, 2022

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Observation Dates	Coupon Payment Dates
September 28, 2022	October 3, 2022
October 28, 2022	November 2, 2022
November 28, 2022	December 1, 2022
December 28, 2022	January 3, 2023
January 30, 2023	February 2, 2023
February 28, 2023	March 3, 2023
March 28, 2023	March 31, 2023
April 28, 2023	May 3, 2023
May 30, 2023	June 2, 2023
June 28, 2023	July 3, 2023
July 28, 2023	August 2, 2023
August 28, 2023	August 31, 2023
September 28, 2023	October 3, 2023
October 30, 2023	November 2, 2023
November 28, 2023	December 1, 2023
December 28, 2023	January 3, 2024
January 29, 2024	February 1, 2024
February 28, 2024	March 4, 2024
March 28, 2024	April 3, 2024
April 29, 2024	May 2, 2024
May 28, 2024	May 31, 2024
June 28, 2024	July 3, 2024
July 29, 2024	August 1, 2024
August 28, 2024	September 3, 2024
September 30, 2024	October 3, 2024
October 28, 2024	October 31, 2024
November 29, 2024	December 4, 2024
December 30, 2024	January 3, 2025
January 28, 2025	January 31, 2025
February 28, 2025	March 5, 2025
March 28, 2025	April 2, 2025
April 28, 2025	May 1, 2025
May 28, 2025	June 2, 2025
June 30, 2025	July 3, 2025
July 28, 2025	July 31, 2025
August 28, 2025	September 3, 2025
September 29, 2025	October 2, 2025
October 28, 2025	October 31, 2025
November 28, 2025	December 3, 2025
December 29, 2025	January 2, 2026
January 28, 2026	February 2, 2026

March 2, 2026	March 5, 2026
March 30, 2026	April 2, 2026
April 28, 2026	May 1, 2026
May 28, 2026	June 2, 2026
June 29, 2026	July 2, 2026
July 28, 2026	July 31, 2026
August 28, 2026	September 2, 2026
September 28, 2026	October 1, 2026
October 28, 2026	November 2, 2026
November 30, 2026	December 3, 2026
December 28, 2026	December 31, 2026
January 28, 2027	February 2, 2027
March 1, 2027	March 4, 2027
March 29, 2027	April 1, 2027
April 28, 2027	May 3, 2027
May 28, 2027	June 3, 2027
June 28, 2027	July 1, 2027
July 28, 2027	August 2, 2027
August 30, 2027	September 2, 2027
September 28, 2027	October 1, 2027
October 28, 2027	November 2, 2027
November 29, 2027	December 2, 2027
December 28, 2027	December 31, 2027
January 28, 2028	February 2, 2028
February 28, 2028	March 2, 2028
March 28, 2028	March 31, 2028
April 28, 2028	May 3, 2028
May 30, 2028	June 2, 2028
June 28, 2028	July 3, 2028
July 28, 2028	August 2, 2028
August 28, 2028	August 31, 2028

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

Observation Dates	Coupon Payment Dates
September 28, 2028	October 3, 2028
October 30, 2028	November 2, 2028
November 28, 2028	December 1, 2028
December 28, 2028	January 3, 2029
January 29, 2029	February 1, 2029
February 28, 2029	March 5, 2029
March 28, 2029	April 3, 2029
April 30, 2029	May 3, 2029
May 29, 2029	June 1, 2029
June 28, 2029	July 3, 2029
July 30, 2029	August 2, 2029
August 28, 2029	August 31, 2029
September 28, 2029	October 3, 2029
October 29, 2029	November 1, 2029
November 28, 2029	December 3, 2029
December 28, 2029	January 3, 2030
January 28, 2030	January 31, 2030
February 28, 2030	March 5, 2030
March 28, 2030	April 2, 2030
April 29, 2030	May 2, 2030
May 28, 2030	May 31, 2030
June 28, 2030	July 3, 2030
July 29, 2030	August 1, 2030
August 28, 2030	September 3, 2030
September 30, 2030	October 3, 2030
October 28, 2030	October 31, 2030
November 29, 2030	December 4, 2030
December 30, 2030	January 3, 2031
January 28, 2031	January 31, 2031
February 28, 2031	March 5, 2031
March 28, 2031	April 2, 2031
April 28, 2031	May 1, 2031
May 28, 2031	June 2, 2031
June 30, 2031	July 3, 2031
July 28, 2031	July 31, 2031
August 28, 2031	September 3, 2031
September 29, 2031	October 2, 2031
October 28, 2031	October 31, 2031
November 28, 2031	December 3, 2031
December 29, 2031	January 2, 2032
January 28, 2032	February 2, 2032

March 1, 2032	March 4, 2032
March 29, 2032	April 1, 2032
April 28, 2032	May 3, 2032
May 28, 2032	June 3, 2032
June 28, 2032	July 1, 2032
July 28, 2032	August 2, 2032
August 30, 2032	September 2, 2032
September 28, 2032	October 1, 2032
October 28, 2032	November 2, 2032
November 29, 2032	December 2, 2032
December 28, 2032	December 31, 2032
January 28, 2033	February 2, 2033
February 28, 2033	March 3, 2033
March 28, 2033	March 31, 2033
April 28, 2033	May 3, 2033
May 31, 2033	June 3, 2033
June 28, 2033	July 1, 2033
July 28, 2033	August 2, 2033
August 29, 2033 (final observation date)	September 1, 2033 (maturity date)

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Investment Summary

Contingent Income Securities
Principal at Risk Securities

Contingent Income Securities due September 1, 2033 Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index (the "securities") do not guarantee the repayment of principal and do not provide for the regular payment of interest after the first 2.5 years. For the first 2.5 years, the securities will pay a fixed monthly coupon at the rate specified below. Thereafter, the securities will pay a contingent monthly coupon **but only if** the index closing value of **each of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index** (which we refer to together as the "underlying indices") is **at or above** 60% of its respective initial index value, which we refer to as the barrier level, on the related observation date. If the index closing value **of any underlying index** is less than the barrier level for such index on any observation date after the first 2.5 years, we will pay no coupon for the related monthly period. It is possible that the index closing value of any or all underlying indices will remain below the respective barrier level(s) for extended periods of time or even throughout the last 12.5 years so that you will receive few or no contingent monthly coupons during that period. We refer to the coupon on the securities after the first 2.5 years as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date during that period. Even if an underlying index were to be at or above the barrier level for such index on some monthly observation dates, it may fluctuate below the barrier level on others. In addition, even if one or two of the underlying indices were to be at or above the barrier level(s) for such index or indices on all monthly observation dates, you will receive a contingent monthly coupon during the last 12.5 years only with respect to the observation dates on which the other underlying index or indices are also at or above the barrier level(s) for such index or indices, if any. At maturity, if the final index value of **each** underlying index is greater than or equal to the barrier level of 60% of the respective initial index value, the payment at maturity will be the stated principal amount and the related contingent monthly coupon. If, however, the final index value of **any underlying** index is less than its barrier level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is less than 60% 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 based on the performance of any underlying index and also the risk of not receiving any monthly coupons after the first 2.5 years.**

Maturity:	Approximately 15 years
Monthly coupon:	First 2.5 Years: On all coupon payment dates through March 2021, a fixed coupon at an annual rate of 7.00% (corresponding to approximately $5.8333 per month per security) is paid monthly.

Last 12.5 Years: Beginning with the April 2021 coupon payment date, a *contingent* coupon at an annual rate of 7.00% (corresponding to approximately $5.8333 per month per security) is paid monthly *but only if* the closing value of **each underlying index** is **at or above** its respective barrier level on the related observation date.

If, on any observation date during the last 12.5 years, the closing value of any underlying index is less than the barrier level for such index, we will pay no coupon for the applicable interest period. It is possible that any or all underlying indices will remain below the respective barrier level(s) for extended periods of time or even throughout the last 12.5 years so that you will receive few or no contingent monthly coupons during that period.

Payment at maturity:	If the final index value of **each** underlying index is **greater than or equal to** its respective barrier level: the stated principal amount and the contingent monthly coupon with respect to the final observation date. If the final index value of **any underlying** index is **less than** its respective barrier level: (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 60% of the stated principal amount of the securities and could be zero.

We are using this preliminary pricing supplement to solicit from you an offer to purchase the securities. You may revoke your offer to purchase the securities at any time prior to the time at which we accept such offer by notifying the relevant agent. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. In the event of any material changes to the terms of the securities, we will notify you.

Morgan Stanley clients may contact their local Morgan Stanley branch office or our principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (866) 477-4776). All other clients may contact their local brokerage representative. Third-party distributors may contact Morgan Stanley Structured Investment Sales at (800) 233-1087.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® 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 $898.00, or within $40.00 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 indices. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying indices, instruments based on the underlying indices, 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 monthly coupon rate and the barrier 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 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 indices, 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 18 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 indices, 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.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Key Investment Rationale

The securities provide for fixed monthly coupon payments at the rate specified herein for the first 2.5 years. Thereafter, the securities do not provide for the regular payment of interest and instead will pay a contingent monthly coupon **but only if** the index closing value of **each underlying index** is **at or above** 60% of its initial index value, which we refer to as the barrier level, on the related observation date. The following scenarios are for illustration purposes only to demonstrate how the payment at maturity and monthly coupon are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the contingent monthly coupon may be payable with respect to none of, or some but not all of, the monthly periods during the last 12.5 years, and the payment at maturity may be less than 60% of the stated principal amount and could be zero. Investors will not participate in any appreciation in any underlying index.

Scenario 1: A contingent monthly coupon is paid for all interest periods, and investors receive principal back at maturity, which is the best-case scenario.	This scenario assumes that during the last 12.5 years, each underlying index closes at or above its respective barrier level on every monthly observation date. Investors receive the 7.00% per annum contingent monthly coupon for each interest period during the term of the securities. At maturity, each underlying index closes above its respective barrier level, and so investors receive the stated principal amount and the contingent monthly coupon with respect to the final observation date.
Scenario 2: A contingent monthly coupon is paid for some, but not all, interest periods, and investors receive principal back at maturity.	This scenario assumes that each underlying index closes at or above its respective barrier level on some monthly observation dates after the first 2.5 years, but one or more underlying indices close below the respective barrier level(s) for such index on the others. Investors receive the fixed monthly coupon for the monthly interest periods during the first 2.5 years. Investors will receive the contingent monthly coupon for the monthly interest periods during the last 12.5 years for which the index closing value of each underlying index is at or above its respective barrier level on the related observation date, but not for the interest periods for which one or more underlying indices close below the respective barrier level(s) on the related observation date. At maturity, each underlying index closes above its respective barrier level, and so investors receive the stated principal amount and the contingent monthly coupon with respect to the final observation date.
Scenario 3: No contingent monthly coupon is paid for any interest period during the last 12.5 years, and	This scenario assumes that one or more underlying indices close below the respective barrier level(s) on every monthly observation date during the last 12.5 years. Since one or more underlying indices close below the respective barrier level(s) on every monthly observation date during the last 12.5 years, investors do not receive any contingent monthly coupon during this period. On the final observation date, one or more underlying

investors suffer a substantial loss of principal at maturity.	indices close below the respective barrier level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 60% of the stated principal amount and could be zero.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Underlying Indices Summary

Russell 2000® Index

The Russell 2000® Index is an index calculated, published and disseminated by FTSE Russell, and measures the composite price performance of stocks of 2,000 companies incorporated in the U.S. and its territories. All 2,000 stocks are traded on a major U.S. exchange and are the 2,000 smallest securities that form the Russell 3000® Index. The Russell 3000® Index is composed of the 3,000 largest U.S. companies as determined by market capitalization and represents approximately 98% of the U.S. equity market. The Russell 2000® Index consists of the smallest 2,000 companies included in the Russell 3000® Index and represents a small portion of the total market capitalization of the Russell 3000® Index. The Russell 2000® Index is designed to track the performance of the small capitalization segment of the U.S. equity market.

Information as of market close on July 26, 2018:

Bloomberg Ticker Symbol:	RTY
Current Index Value:	1,695.360
52 Weeks Ago:	1,442.279
52 Week High (on 6/20/2018):	1,706.985
52 Week Low (on 8/21/2017):	1,356.905

or additional information about the Russell 2000® Index, see the information set forth under "Russell 2000® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "Russell 2000® Index Historical Performance" below.

S&P 500® Index

The S&P 500® Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC ("S&P"), consists of stocks of 500 component companies selected to provide a performance benchmark for the U.S. equity markets. The calculation of the S&P 500® Index is based on the relative value of the float adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to the aggregate average market capitalization of 500 similar companies during the base period of the years 1941 through 1943.

Information as of market close on July 26, 2018:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,837.44
52 Weeks Ago:	2,477.83
52 Week High (on 1/26/2018):	2,872.87
52 Week Low (on 8/18/2017):	2,425.55

or additional information about the S&P 500® Index, see the information set forth under "S&P 500® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "S&P 500® Index Historical Performance" below.

EURO STOXX 50® Index

The EURO STOXX 50® Index was created by STOXX Limited, which is owned by Deutsche Börse AG and SIX Group AG. Publication of the EURO STOXX 50® Index began on February 26, 1998, based on an initial index value of 1,000 at December 31, 1991. The EURO STOXX 50® Index is composed of 50 component stocks of market sector leaders from within the STOXX 600 Supersector Indices, which includes stocks selected from the Eurozone. The component stocks have a high degree of liquidity and represent the largest companies across all market sectors.

Information as of market close on July 26, 2018:

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Bloomberg Ticker Symbol:	SX5E
Current Index Value:	3,509.26
52 Weeks Ago:	3,491.19
52 Week High (on 11/1/2017):	3,697.40
52 Week Low (on 3/26/2018):	3,278.72

r additional information about the EURO STOXX 50® Index, see the information set forth under "EURO STOXX 50® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "EURO STOXX 50® Index Historical Performance" below.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent monthly coupon is paid with respect to an observation date and how to calculate the payment at maturity. The following examples are for illustrative purposes only. For the first 2.5 years, you will receive a fixed monthly coupon at a rate of 7.00% per annum regardless of the performance of the underlying indices. Whether you receive a contingent monthly coupon after the first 2.5 years will be determined by reference to the index closing value of each underlying index on each monthly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final index value of each underlying index on the final observation date. The actual initial index value and barrier level for each underlying index 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:

Monthly Coupon:	First 2.5 Years: On all coupon payment dates through March 2021, a fixed coupon at an annual rate of 7.00% (corresponding to approximately $5.8333 per month per security) is paid monthly. Last 12.5 Years: Beginning with the April 2021 coupon payment date, a *contingent* coupon at an annual rate of 7.00% (corresponding to approximately $5.8333 per month per security) is paid monthly *but only if* the closing value of **each underlying index** is **at or above** its respective barrier level on the related observation date. **If, on any observation date during the last 12.5 years, the closing value of any underlying index is less than the barrier level for such index, we will pay no coupon for the applicable interest period. It is possible that one or more underlying indices will remain below the respective barrier level(s) for extended periods of time or even throughout the last 12.5 years so that you will receive few or no contingent monthly coupons during that period.**
Payment at Maturity	If the final index value of **each** underlying index is **greater than or equal to** its respective barrier level: the stated principal amount and the contingent monthly coupon with respect to the final observation date. If the final index value of **any underlying** index is **less than** its respective barrier level: (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 60% of the stated

	principal amount of the securities and could be zero.
Stated Principal Amount:	$1,000
Hypothetical Initial Index Value:	With respect to the RTY Index: 1,200 With respect to the SPX Index: 2,100 With respect to the SX5E Index: 3,000
Hypothetical Barrier Level:	With respect to the RTY Index: 720, which is 60% of the hypothetical initial index value for such index With respect to the SPX Index: 1,260, which is 60% of the hypothetical initial index value for such index With respect to the SX5E Index: 1,800, which is 60% of the hypothetical initial index value for such index

* The actual monthly 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 basis. The hypothetical monthly coupon of $5.8333 is used in these examples for ease of analysis.

How to determine whether a contingent monthly coupon is payable with respect to an observation date during the last 12.5 years:

	Index Closing Value			Contingent Monthly Coupon
	RTY Index	SPX Index	SX5E Index	
Hypothetical Observation Date 1	750 (**at or above** barrier level)	1,800 (**at or above** barrier level)	2,500 (**at or above** barrier level)	$5.8333
Hypothetical	400 (**below**	1,000 (**below** barrier	2,800 (**at or above**	$0

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Observation Date 2	barrier level)	level)	barrier level)	
Hypothetical Observation Date 3	1,000 (**at or above** barrier level)	1,800 (**at or above** barrier level)	1,400 (**below** barrier level)	$0
Hypothetical Observation Date 4	350 (**below** barrier level)	900 (**below** barrier level)	1,600 (**below** barrier level)	$0

On hypothetical observation date 1, each underlying index closes at or above its respective barrier level. Therefore, a contingent monthly coupon of approximately $5.8333 is paid on the relevant coupon payment date.

On each of the hypothetical observation dates 2 and 3, at least one underlying index closes at or above its barrier level, but one or both other underlying indices close below their respective barrier level(s). Therefore, no contingent monthly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 4, each underlying index closes below its respective barrier level and accordingly no contingent monthly coupon is paid on the relevant coupon payment date.

Beginning after 2.5 years, you will not receive a contingent monthly coupon on any coupon payment date if the closing value of any underlying index is below its respective barrier level on the related observation date.

How to calculate the payment at maturity:

	Final Index Value			Payment at Maturity
	RTY Index	SPX Index	SX5E Index	
Example 1:	1,750 (**at or above** the barrier level)	4,000 (**at or above** the barrier level)	3,800 (**at or above** barrier level)	$1,005.8333 (the stated principal amount *plus* the contingent monthly coupon with respect to the final observation date)

Example 2:	480 (**below** the barrier level)	900 (**below** the barrier level)	2,600 (**at or above** barrier level)	\$1,000 x index performance factor of the worst performing underlying index = \$1,000 x (480 / 1,200) = \$400
Example 3:	1,260 (**at or above** the barrier level)	1,365 (**at or above** the barrier level)	1,200 (**below** barrier level)	\$1,000 x (1,200 / 3,000) = \$400
Example 4:	480 (**below** the barrier level)	945 (**below** the barrier level)	900 (**below** barrier level)	\$1,000 x (900 / 3,000) = \$300
Example 5:	240 (**below** the barrier level)	630 (**below** the barrier level)	1,200 (**below** barrier level)	\$1,000 x (240 / 1,200) = \$200

In example 1, the final index values of all three underlying indices are at or above their respective barrier levels. Therefore, investors receive at maturity the stated principal amount of the securities and the contingent monthly coupon with respect to the final observation date. Investors do not participate in the appreciation of any underlying index.

In examples 2 and 3, the final index value(s) of one or two of the underlying indices are at or above the respective barrier level(s) but the final index value(s) of one or both of the other underlying indices are below their respective barrier level(s). Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity and receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index.

Similarly, in examples 4 and 5, the final index value of each underlying index is below its respective barrier level, and investors receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. In example 4, the RTY Index has declined 60% from its initial index value to its final index value, the SPX Index has declined 55% from its initial index value to its final index value and the SX5E Index has declined 70% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the SX5E Index, which is the worst performing underlying index in this example. In example 5, the RTY Index has declined 80% from its initial index value, the SPX Index has declined 70% from its initial index value to its final index value and the SX5E Index has declined 60% from its initial index value to its final index value. Therefore the payment at maturity equals the stated principal amount *times* the index performance factor of the RTY Index, which is the worst performing underlying index in this example.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

If the final index value of ANY underlying index is below its respective barrier level, you will be exposed to the downside performance of the worst performing underlying index at maturity, and your payment at maturity will be less than 60% of the stated principal amount per security and could be zero.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Risk Factors

The following is a non-exhaustive 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 prospectus supplement, index supplement and prospectus. We also urge you to consult with your investment, legal, tax, accounting and other advisers before you invest 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 principal. If the final index value of **any** underlying index is less than its barrier level of 60% of its initial index value, you will be exposed to the decline in the closing value of the worst performing underlying index, as compared to its initial index value, 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 index performance factor of the worst performing underlying index. In this case, the payment at maturity will be less than 60% of the stated principal amount and could be zero.

§ **After the first 2.5 years, the securities do not provide for regular interest payments.** The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest after the first 2.5 years. For the first 2.5 years, the securities will pay a fixed monthly coupon at the rate specified herein. Thereafter, the securities will pay a contingent monthly coupon only if the index closing value of **each** underlying index is at or above 60% of its respective initial index value, which we refer to as the barrier level, on the related observation date. If, on the other hand, the index closing value of **any** underlying index is lower than the barrier level for such index on the relevant observation date for any interest period during the last 12.5 years, we will pay no coupon on the applicable coupon payment date. It is possible that the index closing value of any or all underlying indices will remain below the respective barrier level(s) for extended periods of time or even throughout the last 12.5 years so that you will receive few or no contingent monthly coupons during that period. If you do not earn sufficient contingent monthly 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.

§ **You are exposed to the price risk of each underlying index, with respect to both the contingent monthly coupons after the first 2.5 years, if any, and the payment at maturity, if any.** Your return on the securities is not linked to a basket consisting of the underlying indices. Rather, it will be contingent upon the independent performance of each underlying index. 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 underlying index. Poor performance by **any underlying** index 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 indices. To receive any contingent monthly coupons after the first 2.5 years, **each** underlying index must close at or above its respective barrier level on the applicable observation date. In addition, if **any underlying** index has declined to below its respective barrier level as of the final observation date, you will be **fully exposed** to the decline in the worst performing underlying index over the term of the securities on a 1-to-1 basis, even if one or both of the other underlying indices have appreciated or have not declined as much. Under this scenario, the value of any such payment will be less than 60% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of each underlying index.

§ **Because the securities are linked to the performance of the worst performing underlying index, you are exposed to greater risks of no contingent monthly coupons and sustaining a significant loss on your investment than if the securities were linked to just one index.** The risk that you will not receive any contingent monthly coupons after the first 2.5 years, or that you will suffer a significant loss on your investment, is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one underlying index. With three underlying indices, it is more likely that any underlying index will close below its barrier level on any observation date than if the securities were linked to only one underlying index, and therefore it is more likely that you will not receive any contingent monthly coupons and that you will suffer a significant loss on your investment.

§ **The contingent monthly coupon, if any, is based only on the value of each underlying index on the related monthly observation date at the end of the related interest period.** Whether the contingent monthly coupon will be paid on any coupon payment date during the last 12.5 years will be determined at the end of the relevant interest period, based on the closing value of each underlying index on the relevant monthly observation date. As a result, you will not know whether you will receive the contingent monthly coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent monthly coupon is based solely on the value of each underlying index on monthly observation dates, if the closing value of any underlying index on any observation date is below the barrier level for such index, you will receive no coupon for the related interest period, even if the level of such underlying index was at or above its respective barrier level on other days during that interest period and even if the closing value(s) of one or both of the other underlying indices are at or above the barrier levels for such indices.

§ **Investors will not participate in any appreciation in any underlying index.** Investors will not participate in any appreciation in any underlying index from the initial index value for such index, and the return on the securities will be limited to the fixed monthly coupons, and the contingent monthly coupons, if any, that are paid with respect to each observation date during the last 12.5 years on which the index closing value of each underlying index is greater than or equal to its respective barrier level.

§ **The securities are linked to the Russell 2000® Index and are subject to risks associated with small-capitalization companies.** As the Russell 2000® Index is one of the underlying indices, and the Russell 2000® Index consists of stocks issued by companies with relatively small market capitalization, the securities are linked to the value of small-capitalization companies. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies and therefore the Russell 2000® Index may be more volatile than indices that consist of stocks issued by large-capitalization companies. Stock prices of small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded. In addition, small capitalization companies are typically less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.

§ **The securities are linked to the EURO STOXX 50® Index and are subject to risks associated with investments in securities linked to the value of foreign equity securities.** As the EURO STOXX 50® Index is one of the underlying indices, the securities are linked to the value of foreign equity securities. Investments in securities linked to the value of foreign equity securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Also, there is generally less publicly available information about foreign companies than about U.S. companies that are subject to the reporting requirements of the United States Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements different from those applicable to U.S. reporting companies. The prices of securities issued in foreign markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. Moreover, the economies in such countries may differ favorably or unfavorably from the economy in the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payment positions between countries.

§ **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 each underlying index on any day, including in relation to its respective barrier level, 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 volatility (frequency and magnitude of changes in value) of the underlying indices,

o whether the index closing value of any underlying index has been below its respective barrier level on any observation date,

o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying indices or securities markets generally and which may affect the value of each underlying index,

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

- dividend rates on the securities underlying the underlying indices,
- the time remaining until the securities mature,
- interest and yield rates in the market,
- the availability of comparable instruments,
- the composition of the underlying indices and changes in the constituent stocks of such indices, 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. Generally, the longer the time remaining to maturity, the more the market price of the securities will be affected by the other factors described above. In particular, if any underlying index has closed near or below the barrier level for such index, 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 any underlying index based on its historical performance. The value of any underlying index may decrease and be below the barrier level for such index on each observation date so that you will receive no return on your investment after the first 2.5 years, and any or all underlying indices may close below the respective barrier level(s) on the final observation date so that you lose more than 40% or all of your initial investment in the securities. There can be no assurance that the closing value of each underlying index will be at or above the respective barrier level on any observation date so that you will receive a coupon payment on the securities for the applicable interest period or that they will be at or above their respective barrier levels on the final observation date so that you do not suffer a significant loss on your initial investment in the securities. See "Russell 2000® Index Historical Performance," "S&P 500® Index Historical Performance" and "EURO STOXX 50® Index Historical Performance" 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 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.

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

§ **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 15-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 18 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 indices, 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 document 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 indices or their component stocks), including trading in the stocks that constitute the underlying indices as well as in other instruments related to the underlying indices. 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 indices and other financial instruments related to the underlying indices 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 of an underlying index, and, therefore, could increase the barrier level for such underlying index, which is the value at or above which such underlying index must close on the observation dates in order for you to earn a contingent monthly coupon (depending also on the performance of the other underlying indices) and the value at or above which the underlying index must close on the final observation date so that you are not exposed to the negative performance of the worst performing underlying index at maturity (depending also on the performance of the other underlying indices). Additionally, such hedging or trading activities during the term of the securities could affect the value of an underlying index on the observation dates, and, accordingly, whether we pay a contingent monthly coupon on the securities and the amount of cash you receive at maturity, if any (depending also on the performance of the other underlying indices).

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

§ **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 for each underlying index, the barrier level for each underlying index, the payment at maturity, if any, and whether you receive a contingent monthly coupon on each coupon payment date after the first 2.5 years and at maturity. 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 an underlying index. These potentially subjective determinations may affect the payout to you or at maturity, if any. For further information regarding these types of determinations, see "Additional Information About the Securities—Additional Provisions—Calculation agent," "—Market disruption event," "—Postponement of observation dates," "—Discontinuance of an underlying index; alteration of method of calculation" and "—Alternate exchange calculation in case of an event of default," below. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

§ **Adjustments to the underlying indices could adversely affect the value of the securities.** The publisher of each underlying index may add, delete or substitute the component stocks of such underlying index or make other methodological changes that could change the value of such underlying index. Any of these actions could adversely affect the value of the securities. The publisher of each underlying index may also discontinue or suspend calculation or publication of such underlying index at any time. In these circumstances, MS & Co., as the calculation agent, will have the sole discretion to substitute a successor index that is comparable to the discontinued index. MS & Co. could have an economic interest that is different than that of investors in the securities insofar as, for example, MS & Co. is permitted to consider indices that are calculated and published by MS & Co. or any of its affiliates. If MS & Co. determines that there is no appropriate successor index on any observation date, the determination of whether a contingent monthly coupon will be payable on the securities on the applicable coupon payment date, and/or the amount payable at maturity, will be based on the value of such underlying index, based on the closing prices of the stocks constituting such underlying index at the time of such discontinuance, without rebalancing or substitution, computed by MS & Co. as calculation agent in accordance with the formula for calculating such underlying index last in effect prior to such discontinuance, as compared to the respective barrier level (depending also on the performance of the other underlying indices).

§ **The U.S. federal income tax consequences of an investment in the securities are uncertain.** There is no direct legal authority as to the proper treatment of the securities for U.S. federal income tax purposes, and, therefore, significant aspects of the tax treatment of the securities are uncertain.

Please read the discussion under "Additional Provisions—Tax considerations" in this document concerning the U.S. federal income tax consequences of an investment in the securities. We intend to treat a security for U.S. federal income tax purposes as a single financial contract that provides for a coupon that will be treated as gross income to you at the time received or accrued, in accordance with your regular method of tax accounting. Under this treatment, the ordinary income treatment of the coupon payments, in conjunction with the capital loss treatment of any loss recognized upon the sale, exchange or settlement of the securities, could result in adverse tax consequences to holders of the securities because the deductibility of capital losses is subject to limitations. We do not plan to request a ruling from the Internal Revenue Service (the "IRS") regarding the tax treatment of the securities, and the IRS or a court may not agree with the tax treatment described herein. If the IRS were successful in asserting an alternative treatment for the securities, the timing and character of income or loss on the securities might differ significantly from the tax treatment described herein. For example, under one possible treatment, the IRS could seek to recharacterize the securities as debt instruments. In that event, U.S. Holders would be required to accrue into income original issue discount on the securities every year at a "comparable yield" determined at the time of issuance (as adjusted based on the difference, if any, between the actual and the projected amount of any contingent payments on the securities) and recognize all income and gain in respect of the securities as ordinary income. The risk that financial instruments providing for buffers, triggers or similar downside protection features, such as the securities, would be recharacterized as debt is greater than the risk of recharacterization for comparable financial instruments that do not have such features. **Non-U.S. Holders should note that we currently intend to withhold on any coupon paid to Non-U.S. Holders generally at a rate of 30%, or at a reduced rate specified by an applicable income tax treaty under an "other income" or similar provision, and will not be required to pay any additional amounts with respect to amounts withheld.**

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. While it is not clear whether the securities would be viewed as similar to the prepaid forward contracts described in the notice, it is possible that any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. The notice focuses on a number of issues, the most relevant of which for holders of the securities are the character and timing of income or loss and the degree, if any, to which income realized by non-U.S. investors should be subject to withholding tax. Both U.S. and Non-U.S. Holders (as defined below) should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments, the issues presented by this notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

Russell 2000® Index Historical Performance

The following graph sets forth the daily closing values of the RTY Index for the period from January 1, 2008 through July 26, 2018. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the RTY Index for each quarter for the period from January 1, 2013 through July 26, 2018. The closing value of the RTY Index on July 26, 2018 was 1,695.360. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The RTY Index has at times experienced periods of high volatility, and you should not take the historical values of the RTY Index as an indication of its future performance. No assurance can be given as to the closing level of the RTY Index on any observation date, including the final observation date.

RTY Index Daily Closing Values

January 1, 2008 to July 26, 2018

**The red solid line in the graph indicates the hypothetical barrier level, assuming the index closing value on July 26, 2018 were the initial index value.*

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

Russell 2000® Index	**High**	**Low**	**Period End**
2013			
First Quarter	953.07	872.60	951.54
Second Quarter	999.99	901.51	977.48
Third Quarter	1,078.41	989.47	1,073.79
Fourth Quarter	1,163.64	1,043.46	1,163.64
2014			
First Quarter	1,208.651	1,093.594	1,173.038
Second Quarter	1,192.960	1,095.986	1,192.960
Third Quarter	1,208.150	1,101.676	1,101.676
Fourth Quarter	1,219.109	1,049.303	1,204.696
2015			
First Quarter	1,266.373	1,154.709	1,252.772
Second Quarter	1,295.799	1,215.417	1,253.947
Third Quarter	1,273.328	1,083.907	1,100.688
Fourth Quarter	1,204.159	1,097.552	1,135.889
2016			
First Quarter	1,114.028	953.715	1,114.028
Second Quarter	1,188.954	1,089.646	1,151.923
Third Quarter	1,263.438	1,139.453	1,251.646
Fourth Quarter	1,388.073	1,156.885	1,357.130
2017			
First Quarter	1,413.635	1,345.598	1,385.920
Second Quarter	1,425.985	1,345.244	1,415.359
Third Quarter	1,490.861	1,356.905	1,490.861
Fourth Quarter	1,548.926	1,464.095	1,535.511
2018			
First Quarter	1,610.706	1,463.793	1,529.427
Second Quarter	1,706.985	1,492.531	1,643.069
Third Quarter (through July 26, 2018)	1,704.603	1,655.086	1,695.360

The “Russell 2000® Index” is a trademark of FTSE Russell. For more information, see “Russell 2000® Index” in the accompanying index supplement.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

S&P 500® Index Historical Performance

The following graph sets forth the daily closing values of the SPX Index for the period from January 1, 2008 through July 26, 2018. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the SPX Index for each quarter for the period from January 1, 2013 through July 26, 2018. The closing value of the SPX Index on July 26, 2018 was 2,837.44. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The SPX Index has at times experienced periods of high volatility, and you should not take the historical values of the SPX Index as an indication of its future performance. No assurance can be given as to the closing level of the SPX Index on any observation date, including the final observation date.

SPX Index Daily Closing Values

January 1, 2008 to July 26, 2018

**The red solid line in the graph indicates the hypothetical barrier level, assuming the index closing value on July 26, 2018 were the initial index value.*

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033
Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index
Principal at Risk Securities

S&P 500® Index	High	Low	Period End
2013			
First Quarter	1,569.19	1,457.15	1,569.19
Second Quarter	1,669.16	1,541.61	1,606.28
Third Quarter	1,725.52	1,614.08	1,681.55
Fourth Quarter	1,848.36	1,655.45	1,848.36
2014			
First Quarter	1,878.04	1,741.89	1,872.34
Second Quarter	1,962.87	1,815.69	1,960.23
Third Quarter	2,011.36	1,909.57	1,972.29
Fourth Quarter	2,090.57	1,862.49	2,058.90
2015			
First Quarter	2,117.39	1,992.67	2,067.89
Second Quarter	2,130.82	2,057.64	2,063.11
Third Quarter	2,128.28	1,867.61	1,920.03
Fourth Quarter	2,109.79	1,923.82	2,043.94
2016			
First Quarter	2,063.95	1,829.08	2,059.74
Second Quarter	2,119.12	2,000.54	2,098.86
Third Quarter	2,190.15	2,088.55	2,168.27
Fourth Quarter	2,271.72	2,085.18	2,238.83
2017			
First Quarter	2,395.96	2,257.83	2,362.72
Second Quarter	2,453.46	2,328.95	2,423.41
Third Quarter	2,519.36	2,409.75	2,519.36
Fourth Quarter	2,690.16	2,529.12	2,673.61
2018			
First Quarter	2,872.87	2,581.00	2,640.87
Second Quarter	2,786.85	2,581.88	2,718.37
Third Quarter (through July 26, 2018)	2,846.07	2,713.22	2,837.44

"Standard & Poor's®," "S&P®," "S&P 500®," "Standard & Poor's 500" and "500" are trademarks of Standard and Poor's Financial Services LLC. See "S&P 500® Index" in the accompanying index supplement.

Morgan Stanley Finance LLC

Contingent Income Securities due September 1, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

EURO STOXX 50® Index Historical Performance