

MORGAN STANLEY
Form FWP
August 06, 2018

August 2018

Preliminary Terms No. 868

Registration Statement Nos. 333-221595; 333-221595-01

Dated August 6, 2018

Filed pursuant to Rule 433

Morgan Stanley Finance LLC

Structured Investments

Opportunities in Commodities

Dual Directional Trigger PLUS due November 14, 2019

Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts

Fully and Unconditionally Guaranteed by Morgan Stanley

Trigger Performance Leveraged Upside SecuritiesSM

Principal at Risk Securities

The Dual Directional Trigger PLUS, or “Trigger PLUS,” are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The Trigger PLUS will pay no interest, do not guarantee any return of principal at maturity and have the terms described in the accompanying prospectus supplement for PLUS and prospectus, as supplemented or modified by this document. At maturity, if the price of West Texas Intermediate light sweet crude oil futures contracts, which we refer to as the underlying commodity, has appreciated in value, investors will receive the stated principal amount of their investment plus leveraged upside performance of the underlying commodity, subject to the maximum upside payment at maturity of \$1,225 per Trigger PLUS. If the underlying commodity has remained unchanged or depreciated in value but the final commodity price is **greater than or equal to** the trigger level, investors will receive the stated principal amount of their investment plus an unleveraged positive return equal to the absolute value of the percentage decline in the price of the underlying commodity over the term of the Trigger PLUS, which will effectively be limited to a positive 25% return (which would correspond to a payment at maturity of \$1,250 per Trigger PLUS). However, if the underlying commodity has depreciated in value by more than 25% so that the final commodity price is **less than** the trigger level, investors will lose a significant portion or all of their initial investment, resulting in a 1% loss for every 1% decline in the price of the underlying commodity over the term of the Trigger PLUS. Under these circumstances, the payment at maturity will be less than 75% of the stated principal amount and could be zero. The Trigger PLUS are for investors who seek a West Texas Intermediate light sweet crude oil futures contract-based return and who are willing to risk their principal and forgo current income and upside above the maximum upside payment at maturity in exchange for the upside leverage feature that applies to any positive performance of the underlying commodity and the absolute return feature

that applies to a limited range of the performance of the underlying commodity. **There is no minimum payment at maturity on the Trigger PLUS. Accordingly, you could lose your entire initial investment in the Trigger PLUS.** The Trigger PLUS are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

The Trigger PLUS differ from the PLUS described in the accompanying prospectus supplement for PLUS in that the Trigger PLUS offer the potential for a positive return at maturity if the underlying commodity depreciates by up to 25%. The Trigger PLUS are not the Buffered PLUS described in the accompanying prospectus supplement for PLUS. Unlike the Buffered PLUS, the Trigger PLUS do not provide any protection if the underlying commodity depreciates by more than 25%.

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
Aggregate principal amount:	\$
Stated principal amount:	\$1,000 per Trigger PLUS
Issue price:	\$1,000 per Trigger PLUS
Pricing date:	August 10, 2018
Original issue date:	August 15, 2018 (3 business days after the pricing date)
Maturity date:	November 14, 2019
Underlying commodity:	West Texas Intermediate light sweet crude oil futures contracts ("WTI crude oil") If the final commodity price is <i>greater than</i> the initial commodity price:

\$1,000 + leveraged upside payment

In this scenario, in no event will the payment at maturity exceed the maximum upside payment at maturity.

If the final commodity price is *less than or equal to* the initial commodity price but is *greater than or equal to* the trigger level:

\$1,000 + (\$1,000 x absolute commodity return)

Payment at maturity per Trigger PLUS:

In this scenario, you will receive a 1% positive return on the Trigger PLUS for each 1% negative return on the underlying commodity. However, in no event will this amount exceed the stated principal amount plus \$250. As a result, in this scenario, in no event will the payment at maturity exceed \$1,250 per Trigger PLUS.

If the final commodity price is *less than* the trigger level:

\$1,000 x commodity performance factor

Under these circumstances, the payment at maturity will be less than the stated principal amount of \$1,000 per Trigger PLUS, and will represent a loss of at least 25%, and possibly all, of your investment

Maximum upside payment at maturity:	\$1,225 per Trigger PLUS (122.5% of the stated principal amount)		
Leveraged upside payment:	\$1,000 × commodity percent change × leverage factor		
Leverage factor:	200%		
Commodity percent change:	(final commodity price – initial commodity price) / initial commodity price		
Absolute commodity return:	The absolute value of the commodity percent change. For example, a –5% commodity percent change will result in a +5% absolute commodity return.		
Commodity performance factor:	final commodity price / initial commodity price		
Trigger level:	\$ _____, which is 75% of the initial commodity price.		
Initial commodity price:	\$ _____, which is the commodity price on the pricing date, subject to adjustment for non-trading days and certain market disruption events.		
Final commodity price:	The commodity price on the valuation date, subject to adjustment for non-trading days and certain market disruption events.		
Valuation date:	November 11, 2019, subject to postponement for non-trading days and certain market disruption events		
Agent:	Morgan Stanley & Co. LLC (“MS & Co.”), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See “Supplemental information concerning plan of distribution; conflicts of interest.”		
Estimated value on the pricing date:	Approximately \$962.00 per Trigger PLUS, or within \$12.00 of that estimate. See “Investment Summary” on page 3.		
	Terms continued on the following page		
Commissions and issue price:	Price to public Agent’s commissions and fees Proceeds to issuer⁽³⁾		
Per Trigger PLUS	\$1,000	\$17.50 ⁽¹⁾	
		\$5 ⁽²⁾	\$977.50
Total	\$	\$	\$

Selected dealers, including Morgan Stanley Wealth Management (an affiliate of the agent), and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$17.50 for each Trigger PLUS they sell. See “Supplemental information concerning plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying prospectus supplement for PLUS.

⁽²⁾ Reflects a structuring fee payable to Morgan Stanley Wealth Management by the agent or its affiliates of \$5 for each Trigger PLUS.

⁽³⁾ See “Use of proceeds and hedging” on page 16.

The Trigger PLUS involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 7.

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

The Trigger PLUS 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 and prospectus, each of which can be accessed via the hyperlinks below. Please also see “Additional Information About the Trigger PLUS” 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.

Prospectus Supplement for PLUS dated November 16, 2017

Prospectus dated November 16, 2017

Morgan Stanley Finance LLC

Dual Directional Trigger PLUS due November 14, 2019

Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts

Trigger Performance Leveraged Upside SecuritiesSM

Principal at Risk Securities

Terms continued from previous page:

- Commodity price:** For any trading day, the official settlement price per barrel of WTI crude oil on the relevant exchange of the first nearby month futures contract, stated in U.S. dollars, as made public by the relevant exchange on such date, provided that if such date falls on the last trading day of such futures contract (all pursuant to the rules of the relevant exchange), then the second nearby month futures contract on such date.
- Relevant exchange:** The NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. (the “NYMEX Division”)
- CUSIP / ISIN:** 61766YDE8 / US61766YDE86
- No Listing:** The Trigger PLUS will not be listed on any securities exchange.

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Principal at Risk Securities

Investment Summary

Trigger Performance Leveraged Upside Securities

Principal at Risk Securities

The Dual Directional Trigger PLUS due November 14, 2019 Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts (the “Trigger PLUS”) can be used:

§ To gain access to the performance of West Texas Intermediate light sweet crude oil futures contracts and provide a measure of diversification of underlying asset class exposure, subject to the credit risk of the issuer

As an alternative to direct exposure to the underlying commodity that enhances returns for a limited range of positive performance of the price of the underlying commodity, subject to the maximum upside payment at maturity of \$1,225 per Trigger PLUS

To obtain an unleveraged positive return for a limited range of negative performance of the underlying commodity, subject to the payment at maturity effectively being limited to \$1,250 per Trigger PLUS if the absolute return feature applies

§ To potentially outperform the underlying commodity in a moderately bullish or moderately bearish scenario

§ To achieve similar levels of upside exposure to the underlying commodity as a direct investment while using fewer dollars by taking advantage of the leverage factor

The Trigger PLUS are exposed on a 1:1 basis to the negative performance of the underlying commodity if the final commodity price is less than the trigger level.

Maturity:	Approximately 1 year and 3 months
Leverage factor:	200% (applicable only if the final commodity price is greater than the initial commodity price)
Maximum upside payment at maturity:	\$1,225 per Trigger PLUS (122.50% of the stated principal amount)
Trigger level:	75% of the initial commodity price
Minimum payment at maturity:	None. You could lose your entire initial investment in the Trigger PLUS.
Interest:	None
No Listing:	The Trigger PLUS will not be listed on any securities exchange.

The original issue price of each Trigger PLUS is \$1,000. This price includes costs associated with issuing, selling, structuring and hedging the Trigger PLUS, which are borne by you, and, consequently, the estimated value of the Trigger PLUS on the pricing date will be less than \$1,000. We estimate that the value of each Trigger PLUS on the pricing date will be approximately \$962.00, or within \$12.00 of that estimate. Our estimate of the value of the Trigger PLUS 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 Trigger PLUS on the pricing date, we take into account that the Trigger PLUS comprise both a debt component and a performance-based component linked to the underlying commodity. The estimated value of the Trigger PLUS is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying commodity, instruments based on the underlying commodity, 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 Trigger PLUS?

In determining the economic terms of the Trigger PLUS, including the leverage factor, the trigger level and the maximum upside payment at maturity, 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 Trigger PLUS 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 Trigger PLUS?

The price at which MS & Co. purchases the Trigger PLUS in the secondary market, absent changes in market conditions, including those related to the underlying commodity, 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.

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

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Principal at Risk Securities

Key Investment Rationale

The Trigger PLUS offer leveraged exposure at maturity to a limited range of positive performance of the underlying commodity and a positive return at maturity based on the absolute value of a limited range of negative performance of the underlying commodity. In exchange for the upside leverage feature and the absolute return feature, investors are exposed to the risk of loss of a significant portion or all of their investment due to the trigger feature and forego returns above the maximum upside payment at maturity of \$1,225 per Trigger PLUS. At maturity, investors will receive an amount in cash based upon the commodity price on the valuation date. If the underlying commodity has **appreciated** in value, investors will receive the stated principal amount of their investment plus leveraged upside performance of the underlying commodity, subject to the maximum upside payment at maturity. If the underlying commodity has remained unchanged or **depreciated** in value, but by no more than 25%, investors will receive the stated principal amount of their investment plus an unleveraged positive return equal to the absolute value of the percentage decline in the price of the underlying commodity over the term of the Trigger PLUS, which will effectively be limited to a positive 25% return (which would correspond to a payment at maturity of \$1,250 per Trigger PLUS). However, if the underlying commodity has **depreciated** in value by more than 25%, investors will be negatively exposed to the full amount of the percentage decline in the underlying commodity and will lose 1% of the stated principal amount for every 1% of decline, without any buffer. The Trigger PLUS are unsecured obligations of ours, and all payments on the Trigger PLUS are subject to our credit risk. **There is no minimum payment at maturity on the Trigger PLUS. Accordingly, you could lose your entire initial investment in the Trigger PLUS.**

Leveraged
Upside
Performance

The Trigger PLUS offer investors an opportunity to capture enhanced returns for a limited range of positive performance relative to a direct investment in the underlying commodity.

Absolute Return
Feature

The Trigger PLUS enable investors to obtain an unleveraged positive return if the final commodity price is **less than or equal to** the initial commodity price but is **greater than or equal to** the trigger level of 75% of the initial commodity price.

**Upside Scenario
if the
Underlying
Commodity
Appreciates**

The final commodity price is greater than the initial commodity price and, at maturity, the Trigger PLUS redeem for the stated principal amount of \$1,000 per Trigger PLUS plus 200% of the increase in the price of the underlying commodity, subject to the maximum upside payment at maturity. For example, if the final commodity price is 10% greater than the initial commodity price, the Trigger PLUS will provide a total return of 20% at maturity. The maximum upside payment at maturity is \$1,225 per Trigger PLUS (122.50% of the stated principal amount).

Absolute Return Scenario	<p>The final commodity price is less than or equal to the initial commodity price but is greater than or equal to the trigger level, which is 75% of the initial commodity price. In this case, you receive a 1% positive return on the Trigger PLUS for each 1% negative return on the underlying commodity. For example, if the final commodity price is 10% less than the initial commodity price, the Trigger PLUS will provide a total positive return of 10% at maturity. The maximum return you may receive in this scenario is a positive 25% return at maturity (which would correspond to a payment at maturity of \$1,250 per Trigger PLUS). If the final commodity price is equal to the initial commodity price, because the absolute commodity return will be equal to 0%, the Trigger PLUS will redeem for the stated principal amount of \$1,000 per Trigger PLUS.</p>
Downside Scenario	<p>The final commodity price is less than the trigger level. In this case, the Trigger PLUS redeem for at least 25% less than the stated principal amount and this decrease will be by an amount proportionate to the full decline in the price of the underlying commodity as of the valuation date. Under these circumstances, the payment at maturity will be less than \$750 per Trigger PLUS. For example, if the final commodity price is 35% less than the initial commodity price, the Trigger PLUS will be redeemed at maturity for a loss of 35% of principal at \$650, or 65% of the stated principal amount. There is no minimum payment at maturity on the Trigger PLUS. Accordingly, you could lose your entire initial investment in the Trigger PLUS.</p>

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Principal at Risk Securities

How the Trigger PLUS Work

Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the Trigger PLUS based on the following terms:

Stated principal amount:	\$1,000 per Trigger PLUS
Leverage factor:	200%
Trigger level:	75% of the initial commodity price
Maximum upside payment at maturity	\$1,225 per Trigger PLUS (122.50% of the stated principal amount)
Minimum payment at maturity:	None. You could lose your entire initial investment in the Trigger PLUS

Trigger PLUS Payoff Diagram

See the next page for a description of how the Trigger PLUS work.

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How it works

Upside Scenario if the Underlying Commodity Appreciates: If the final commodity price is greater than the initial commodity price, investors would receive the \$1,000 stated principal amount plus 200% of the appreciation of the underlying commodity over the term of the Trigger PLUS, subject to the maximum upside payment at maturity. § Under the terms of the Trigger PLUS, an investor would realize the maximum upside payment at maturity of \$1,225 per Trigger PLUS (122.50% of the stated principal amount) at a final commodity price of 111.25% of the initial commodity price.

§ If the underlying commodity appreciates 10%, investors would receive a 20% return, or \$1,200 per Trigger PLUS.

§ If the underlying commodity appreciates 20%, investors would receive only a 22.5% return, or \$1,225 per Trigger PLUS, due to the maximum upside payment at maturity.

Absolute Return Scenario: If the final commodity price is less than or equal to the initial commodity price but is § greater than or equal to the trigger level of 75% of the initial commodity price, investors would receive a 1% positive return on the Trigger PLUS for each 1% negative return on the underlying commodity.

§ If the underlying commodity depreciates 10%, investors would receive a 10% return, or \$1,100 per Trigger PLUS.

§ The maximum return investors may receive in this scenario is a positive 25% return at maturity (which would correspond to a payment at maturity of \$1,250 per Trigger PLUS).

Downside Scenario: If the final commodity price is less than the trigger level of 75% of the initial commodity price, § investors would receive an amount less than the \$1,000 stated principal amount, based on a 1% loss of principal for each 1% decline in the underlying commodity. Under these circumstances, the payment at maturity will be less than \$750 per Trigger PLUS. There is no minimum payment at maturity on the Trigger PLUS.

§ If the underlying commodity depreciates 40%, investors would lose 40% of their principal and receive only \$600 per Trigger PLUS at maturity, or 60% of the stated principal amount.

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Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the Trigger PLUS. For further discussion of these and other risks, you should read the section entitled “Risk Factors” in the accompanying prospectus supplement for PLUS and prospectus. We also urge you to consult your investment, legal, tax, accounting and other advisers in connection with your investment in the Trigger PLUS.

The Trigger PLUS do not pay interest or guarantee return of any principal. The terms of the Trigger PLUS differ from those of ordinary debt securities in that the Trigger PLUS do not pay interest or guarantee the payment of any principal amount at maturity. If the final commodity price is less than the trigger level (which is 75% of the initial commodity price), the absolute return feature will no longer be available and the payment at maturity will be \$ an amount in cash that is at least 25% less than the \$1,000 stated principal amount of each Trigger PLUS and this decrease will be by an amount proportionate to the full decrease in the price of the underlying commodity over the term of the Trigger PLUS, without any buffer. **There is no minimum payment at maturity on the Trigger PLUS. Accordingly, you could lose your entire initial investment in the Trigger PLUS.** See “How the Trigger PLUS Work” above.

Appreciation of the Trigger PLUS is limited when the upside leverage feature applies and when the absolute return feature applies. If the final commodity price is greater than the initial commodity price so that the upside leverage feature applies, the appreciation potential of the Trigger PLUS is limited by the maximum upside payment at maturity of \$1,225 per PLUS (112.5% of the stated principal amount). In this scenario, although the leverage factor provides 200% exposure to any increase in the value of the underlying commodity as of the valuation date, § because the payment at maturity will be limited to 122.5% of the stated principal amount of the Trigger PLUS, any increase in the value of the underlying commodity by more than 11.25% will not further increase the return on the Trigger PLUS. In addition, the absolute return feature provides for an unleveraged positive return for a limited range of negative performance of the underlying commodity. However, if the final commodity price is less than or equal to the initial commodity price but greater than or equal to the trigger level such that the absolute return feature applies, the payment at maturity on the Trigger PLUS is effectively limited to \$1,250 per Trigger PLUS.

§ **Single commodity prices tend to be more volatile than, and may not correlate with, the prices of commodities generally.** The payment at maturity is linked exclusively to the price of WTI crude oil and not to a diverse basket of commodities or a broad-based commodity index. The price of WTI crude oil may not correlate to, and may diverge significantly from, the prices of commodities generally. Because the Trigger PLUS are linked to the price of a single commodity, they carry greater risk and may be more volatile than a security linked to the prices of multiple commodities or a broad-based commodity index. The price of WTI crude oil may be, and has recently been, highly

volatile, and we can give you no assurance that the volatility will lessen. See “WTI Crude Oil Overview” on page 13.

Investments linked to a single commodity are subject to sharp fluctuations in commodity prices, and the price of WTI crude oil may change unpredictably and affect the value of the Trigger PLUS in unforeseen ways.

Investments, such as the Trigger PLUS, linked to the price of a single commodity such as WTI crude oil, are subject to significant fluctuations in the price of the commodity over short periods due to a variety of factors. Demand for refined petroleum products by consumers, as well as by the agricultural, manufacturing and transportation industries, affects the price of crude oil. Crude oil’s end-use as a refined product is often as transport fuel, industrial fuel and in-home heating fuel. Potential for substitution in most areas exists, although considerations including relative cost often limit substitution levels. Because the precursors of demand for petroleum products are linked to economic activity, demand will tend to reflect economic conditions. Demand is also influenced by government regulations, § such as environmental or consumption policies. In addition to general economic activity and demand, prices for crude oil are affected by political events, labor activity, developments in production technology such as fracking and, in particular, direct government intervention (such as embargos) or supply disruptions in major oil producing regions of the world. Such events tend to affect oil prices worldwide, regardless of the location of the event. Supply for crude oil may increase or decrease depending on many factors. These include production decisions by the Organization of the Petroleum Exporting Countries and other crude oil producers. In the event of sudden disruptions in the supplies of oil, such as those caused by war, natural events, accidents or acts of terrorism, prices of oil futures contracts could become extremely volatile and unpredictable. Also, sudden and dramatic changes in the futures market may occur, for

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example, upon a cessation of hostilities that may exist in countries producing oil, the introduction of new or previously withheld supplies into the market or the introduction of substitute products or commodities. WTI crude oil is also subject to the risk that it has demonstrated a lack of correlation with world crude oil prices due to structural differences between the U.S. market for crude oil and the international market for crude oil. As a result, the price of WTI crude oil may be more volatile than world crude oil prices generally. See “WTI Crude Oil Overview” on page 13.

An investment linked to commodity futures contracts is not equivalent to an investment linked to the spot prices of physical commodities. The Trigger PLUS have returns based on the change in price of futures contracts on the underlying commodity, not the change in the spot price of actual physical commodity to which such futures contracts relate. The price of a futures contract reflects the expected value of the commodity upon delivery in the future, whereas the price of a physical commodity reflects the value of such commodity upon immediate delivery, which is referred to as the spot price. Several factors can result in differences between the price of a commodity § futures contract and the spot price of a commodity, including the cost of storing such commodity for the length of the futures contract, interest costs related to financing the purchase of such commodity and expectations of supply and demand for such commodity. While the changes in the price of a futures contract are usually correlated with the changes in the spot price, such correlation is not exact. In some cases, the performance of a commodity futures contract can deviate significantly from the spot price performance of the related underlying commodity, especially over longer periods of time. Accordingly, investments linked to the return of commodities futures contracts may underperform similar investments that reflect the spot price return on physical commodities.

Differences between futures prices and the spot price of WTI crude oil may decrease the amount payable at maturity. The initial commodity price and final commodity price that are used to determine the payment at maturity, if any, on the Trigger PLUS are determined by reference to the settlement price of the first nearby month futures contract for WTI crude oil on the pricing date and valuation date, respectively, *provided* that if such date falls on the last trading day of such futures contract, then the second nearby month futures contract on such date, and will not § therefore reflect the spot price of WTI crude oil on such dates. The market for futures contracts on WTI crude oil has experienced periods of backwardation, in which futures prices are lower than the spot price, and periods of contango, in which futures prices are higher than the spot price. If the contract is in contango on the pricing date or in backwardation on the valuation date, the payment at maturity payable, if any, on the maturity date, may be less than if the initial commodity price or the final commodity price, respectively, was determined with reference to the spot price.

§ Suspension or disruptions of market trading in WTI crude oil futures contracts may adversely affect the value of the Trigger PLUS. The futures market for WTI crude oil is subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government

regulation and intervention. In addition, the contract is listed on the NYMEX. NYMEX has limits on the amount of fluctuation in futures contract prices which may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price.” Once the limit price has been reached in a particular contract, no trades may be made at a different price. The current maximum daily price fluctuation for futures contracts of WTI crude oil is \$6 per barrel for any particular month of delivery. If any contract is traded, bid, or offered at the limit for five minutes, trading is halted for five minutes. When trading resumes, the limit is expanded by \$6 per barrel in either direction. If another halt is triggered, the market would continue to be expanded by \$6 per barrel in either direction after each successive five-minute trading halt. There are no maximum price fluctuation limits during any one trading session. Fluctuation limits will have the effect of precluding trading in the contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the value of WTI crude oil futures contracts, and, therefore, the value of the Trigger PLUS.

The market price of the Trigger PLUS will be influenced by many unpredictable factors. Several factors, many of which are beyond our control, will influence the value of the Trigger PLUS in the secondary market and the price at which MS & Co. may be willing to purchase or sell the Trigger PLUS in the secondary market, including the value (including whether the value is at or below the trigger level), volatility (frequency and magnitude of changes in § value) of the underlying commodity, interest and yield rates in the market, time remaining until the Trigger PLUS mature, geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the underlying commodity or commodities markets generally and which may affect the final commodity price of the underlying

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commodity, and any actual or anticipated changes in our credit ratings or credit spreads. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. The price of the underlying commodity may be, and has recently been, volatile, and we can give you no assurance that the volatility will lessen. See “WTI Crude Oil Overview” below. You may receive less, and possibly significantly less, than the stated principal amount per Trigger PLUS if you are able to sell your Trigger PLUS prior to maturity.

The Trigger PLUS 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 Trigger PLUS. You are dependent on our ability to pay all amounts due on the Trigger PLUS at maturity, and therefore you are subject to our credit risk. If we default on our obligations under the Trigger PLUS, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the Trigger PLUS 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 Trigger PLUS.

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.

The amount payable on the Trigger PLUS is not linked to the commodity price at any time other than the valuation date. The final commodity price will be the commodity price on the valuation date, subject to adjustment for non-trading days and certain market disruption events. Even if the underlying commodity appreciates prior to the valuation date but then drops by the valuation date, the payment at maturity may be less, and may be significantly *§* less, than it would have been had the payment at maturity been linked to the commodity price prior to such drop. Although the actual commodity price on the stated maturity date or at other times during the term of the Trigger PLUS may be higher than the final commodity price, the payment at maturity will be based solely on the commodity price on the valuation date.

Investing in the Trigger PLUS is not equivalent to investing in the underlying commodity or in futures contracts or forward contracts on the underlying commodity. By purchasing the Trigger PLUS, you do not § purchase any entitlement to the underlying commodity or futures contracts or forward contracts on the underlying commodity. Further, by purchasing the Trigger PLUS, you are taking credit risk to Morgan Stanley and not to any counter-party to futures contracts or forward contracts on the underlying commodity.

Legal and regulatory changes could adversely affect the return on and value of the Trigger PLUS. Futures contracts and options on futures contracts, including those related to the underlying commodity, are subject to extensive statutes, regulations, and margin requirements. The Commodity Futures Trading Commission, commonly referred to as the “CFTC,” and the exchanges on which such futures contracts trade, are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, certain exchanges have regulations that limit the amount of fluctuations in futures contract § prices that may occur during a single five-minute trading period. These limits could adversely affect the market prices of relevant futures and options contracts and forward contracts. The regulation of commodity transactions in the U.S. is subject to ongoing modification by government and judicial action. In addition, various non-U.S. governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivative markets in general. The effect on the value of the Trigger PLUS of any future regulatory change is impossible to predict, but could be substantial and adverse to the interests of holders of the Trigger PLUS.

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For example, the Dodd-Frank Act, which was enacted on July 21, 2010, requires the CFTC to establish limits on the amount of positions that may be held by any person in certain commodity futures contracts and swaps, futures and options that are economically equivalent to such contracts. While the effects of these or other regulatory developments are difficult to predict, when adopted, such rules may have the effect of making the markets for commodities, commodity futures contracts, options on futures contracts and other related derivatives more volatile and over time potentially less liquid. Such restrictions may force market participants, including us and our affiliates, or such market participants may decide, to sell their positions in such futures contracts and other instruments subject to the limits. If this broad market selling were to occur, it would likely lead to declines, possibly significant declines, in commodity prices, in the price of such commodity futures contracts or instruments and potentially, the value of the Trigger PLUS.

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 Trigger PLUS in the original issue price reduce the economic terms of the Trigger PLUS, cause the estimated value of the Trigger PLUS 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 Trigger PLUS 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 Trigger PLUS in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the Trigger PLUS less favorable to you than they otherwise would be.

§ **The estimated value of the Trigger PLUS 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 Trigger PLUS than those generated by others, including other dealers in the market, if they attempted to value the Trigger PLUS. 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 Trigger PLUS in the secondary market (if any exists) at any time. The value of your Trigger PLUS 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 of the Trigger PLUS will be influenced by many unpredictable factors” above.

§ **The Trigger PLUS will not be listed on any securities exchange and secondary trading may be limited.** The Trigger PLUS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the Trigger PLUS. MS & Co. may, but is not obligated to, make a market in the Trigger PLUS 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 Trigger PLUS, 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 Trigger PLUS. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Trigger PLUS easily. Since other broker-dealers may not participate significantly in the secondary market for the Trigger PLUS, the price at which you may be able to trade your Trigger PLUS 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 Trigger PLUS, it is likely that there would be no secondary market for the Trigger PLUS. Accordingly, you should be willing to hold your Trigger PLUS to maturity.

§ **The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the Trigger PLUS.** As calculation agent, Morgan Stanley Capital Group Inc. (“MSCG”) will determine the initial commodity price, the final commodity price and whether the final commodity price

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has decreased to below the trigger level, and will calculate the amount of cash you receive at maturity, if any. Moreover, certain determinations made by MSCG, 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 or calculation of the price of the underlying commodity in the event of a market disruption event. 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 PLUS—Postponement of Valuation Date,” “—Calculation Agent and Calculations” and related definitions in the accompanying prospectus supplement for PLUS. In addition, MS & Co. has determined the estimated value of the Trigger PLUS on the pricing date.

Hedging and trading activity by our affiliates could potentially adversely affect the value of the Trigger PLUS. One or more of our affiliates and/or third-party dealers expect to carry out hedging activities related to the Trigger PLUS (and to other instruments linked to the underlying commodity), including trading in the underlying commodity or forward contracts or futures contracts on the underlying commodity. Some of our other affiliates also trade in financial instruments related to the underlying commodity or the prices of the commodities or contracts that underlie the underlying commodity on a regular basis as part of their general commodity trading and other § businesses. Any of these hedging or trading activities on or prior to the pricing date could potentially increase the initial commodity price and, therefore, could increase the trigger level, which is the price at or above which the underlying commodity must close on the valuation date so that investors do not suffer a significant loss on their initial investment in the Trigger PLUS. Additionally, such hedging or trading activities during the term of the Trigger PLUS, including on the valuation date, could potentially affect whether the price of the underlying commodity price on the valuation date is at or below the trigger level, and, therefore, whether an investor would receive less than the stated principal amount of the Trigger PLUS at maturity, if any.

§ The U.S. federal income tax consequences of an investment in the Trigger PLUS are uncertain. Please read the discussion under “Additional provisions—Tax considerations” in this document and the discussion under “United States Federal Taxation” in the accompanying prospectus supplement for PLUS (together, the “Tax Disclosure Sections”) concerning the U.S. federal income tax consequences of an investment in the Trigger PLUS. If the Internal Revenue Service (the “IRS”) were successful in asserting an alternative treatment, the timing and character of income on the Trigger PLUS might differ significantly from the tax treatment described in the Tax Disclosure Sections. For example, under one possible treatment, the IRS could seek to recharacterize the Trigger PLUS as debt instruments. In that event, U.S. Holders would be required to accrue into income original issue discount on the Trigger PLUS every year at a “comparable yield” determined at the time of issuance and recognize all income and gain in respect of the Trigger PLUS as ordinary income. Additionally, as discussed under “United States Federal Taxation—FATCA” in the accompanying prospectus supplement for PLUS, the withholding rules commonly referred to as “FATCA” would apply to the Trigger PLUS if they were recharacterized as debt instruments. The risk that financial instruments providing for buffers, triggers or similar downside protection features, such as the Trigger PLUS, would be

recharacterized as debt is greater than the risk of recharacterization for comparable financial instruments that do not have such features. We do not plan to request a ruling from the IRS regarding the tax treatment of the Trigger PLUS, and the IRS or a court may not agree with the tax treatment described in the Tax Disclosure Sections.

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. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” rule, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, 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 Trigger PLUS, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Trigger PLUS, including

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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.

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WTI Crude Oil Overview

Crude oil is used as a refined product primarily as transport fuel, industrial fuel and in-home heating fuel. The price of WTI crude oil to which the return on the Trigger PLUS is linked is based on the official settlement price per barrel of West Texas Intermediate light sweet crude oil on the NYMEX Division of the first nearby month futures contract, stated in U.S. dollars, as made public by the NYMEX Division on such date, *provided* that if such date falls on the last trading day of such futures contract (all pursuant to the rules of the NYMEX Division), then the second nearby month futures contract on such date.

Underlying commodity information as of August 1, 2018

	Bloomberg Ticker Symbol*	Current Price	52 Weeks Ago	52 Week High	52 Week Low
WTI crude oil (in U.S. dollars)	CL1	\$67.66	\$49.16	\$74.15 (on 6/29/2018)	\$45.96 (on 8/30/2017)

* The Bloomberg ticker symbol is being provided for reference purposes only. The commodity price on any trading day will be determined based on the price published by the NYMEX Division, and, notwithstanding the Bloomberg ticker symbol provided for reference purposes above, such price may be based on the second nearby month futures contract, as further described under "Commodity price" on page 2.

The following graph sets forth the daily prices of the underlying commodity for the period from January 1, 2013 through August 1, 2018. The related table presents the published high and low prices, as well as end-of-quarter prices, for the underlying commodity for each quarter in the same period. The commodity price on August 1, 2018 was \$67.66. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The historical performance of the underlying commodity should not be taken as an indication of its future performance, and no assurance can be given as to the value of the underlying commodity on the valuation date. The actual performance of the underlying commodity over the life of the Trigger PLUS and the amount payable at maturity, if any, may bear little relation to the historical levels shown below.

WTI Crude Oil Prices
Daily Closing Prices of the First Nearby Month Futures Contract

January 1, 2013 to August 1, 2018

*The bold red line in the graph indicates the hypothetical trigger level, assuming the commodity price on August 1, 2018 were the initial commodity price.

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WTI Crude Oil (in U.S. dollars per barrel) High (\$) Low (\$) Period End (\$)**2013**

First Quarter	97.94	90.12	97.23
Second Quarter	98.44	86.68	96.56
Third Quarter	110.53	97.99	102.33
Fourth Quarter	104.10	92.30	98.42

2014

First Quarter	104.92	91.66	101.58
Second Quarter	107.26	99.42	105.37
Third Quarter	105.34	91.16	91.16
Fourth Quarter	91.01	53.27	53.27

2015

First Quarter	53.53	43.46	47.60
Second Quarter	61.43	49.14	59.47
Third Quarter	56.96	38.24	45.09
Fourth Quarter	49.63	34.73	37.04

2016

First Quarter	41.45	26.21	38.34
Second Quarter	51.23	35.70	48.33
Third Quarter	48.99	39.51	48.24
Fourth Quarter	54.06	43.32	53.72

2017

First Quarter	54.45	47.34	50.60
Second Quarter	53.40	42.53	46.04
Third Quarter	52.22	44.23	51.67
Fourth Quarter	60.42	49.29	60.42

2018

First Quarter	66.14	59.19	62.34
Second Quarter	74.15	62.06	74.15
Third Quarter (through August 1, 2018)	74.14	67.66	67.66

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Additional Information About the Trigger PLUS

Please read this information in conjunction with the summary terms on the front cover of this document.

Bull market or bear market PLUS:	Bull market PLUS
Denominations:	\$1,000 per Trigger PLUS and integral multiples thereof
Interest:	None
Postponement of maturity date:	If the scheduled valuation date is not a trading day or if a market disruption event occurs on that day so that the valuation date as postponed falls less than two business days prior to the scheduled maturity date, the maturity date of the Trigger PLUS will be postponed to the second business day following that valuation date as postponed.
Minimum ticketing size:	\$1,000 / 1 Trigger PLUS
Trustee:	The Bank of New York

Calculation agent:

Mellon
Morgan Stanley
Capital Group
Inc. and its
successors
("MSCG")
Although there is
uncertainty
regarding the
U.S. federal
income tax
consequences of
an investment in
the Trigger
PLUS due to the
lack of governing
authority, in the
opinion of our
counsel, Davis
Polk & Wardwell
LLP, under
current law, and
based on current
market
conditions, a
Trigger PLUS
should be treated
as a single
financial contract
that is an "open
transaction" for
U.S. federal
income tax
purposes.

Tax considerations:

Assuming this
treatment of the
Trigger PLUS is
respected and
subject to the
discussion in
"United States
Federal Taxation"
in the
accompanying
prospectus
supplement for
PLUS, the
following U.S.
federal income
tax consequences

should result
based on current
law:

§ A U.S.
Holder should
not be required
to recognize
taxable income
over the term of
the Trigger
PLUS prior to
settlement, other
than pursuant to
a sale or
exchange.

§ Upon sale,
exchange or
settlement of the
Trigger PLUS, a
U.S. Holder
should recognize
gain or loss equal
to the difference
between the
amount realized
and the U.S.
Holder's tax basis
in the Trigger
PLUS. Such
gain or loss
should be
long-term capital
gain or loss if the
investor has held
the Trigger
PLUS for more
than one year,
and short-term
capital gain or
loss otherwise.

In 2007, the U.S.
Treasury
Department and
the Internal
Revenue Service
(the "IRS")
released a notice
requesting

comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S.

investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” rule, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, 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 Trigger PLUS, possibly with retroactive effect.

Both U.S. and non-U.S. investors considering an investment in the Trigger PLUS should

read the discussion under “Risk Factors” in this document and the discussion under “United States Federal Taxation” in the accompanying prospectus supplement for PLUS and consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Trigger PLUS, including possible alternative treatments, the issues presented by the aforementioned notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

The discussion in the preceding paragraphs under “Tax considerations” and the discussion contained in the section entitled “United States Federal

**Taxation” in the
accompanying
prospectus
supplement for
PLUS, insofar
as they purport
to describe
provisions of
U.S. federal
income tax laws
or legal
conclusions with
respect thereto,
constitute the
full opinion of
Davis Polk &
Wardwell**

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LLP regarding the material U.S. federal tax consequences of an investment in the Trigger PLUS.

The following section replaces the section entitled “Description of PLUS—Alternate Exchange Calculation in Case of an Event of Default” in the accompanying prospectus supplement for PLUS:

Alternate exchange calculation in case of an event of default:

In case an event of default with respect to the Trigger PLUS shall have occurred and be continuing, the amount declared due and payable per Trigger PLUS upon any acceleration of the Trigger PLUS shall be an amount in cash equal to the value of such Trigger PLUS on the day that is two business days prior to the date of such acceleration, as determined by the calculation agent (acting in good faith and in a commercially reasonable manner) by reference to factors that the calculation agent considers relevant, including, without limitation: (i) then-current market interest rates; (ii) our credit spreads as of the pricing date, without adjusting for any subsequent changes to our creditworthiness; and (iii) the then-current value of the performance-based component of such Trigger PLUS. Because the calculation agent will take into account movements in market interest rates, any increase in market interest rates since the pricing date will lower the value of your claim in comparison to if such movements were not taken into account.

Use of proceeds and hedging:

Notwithstanding the foregoing, if a voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding is filed with respect to the issuer, then depending on applicable bankruptcy law, your claim may be limited to an amount that could be less than the default amount.

The proceeds from the sale of the Trigger PLUS will be used by us for general corporate purposes. We will receive, in aggregate, \$1,000 per Trigger PLUS issued, because, when we enter into hedging transactions in order to meet our obligations under the Trigger PLUS, our hedging counterparty will reimburse the cost of the agent’s commissions. The costs of the Trigger PLUS borne by you and described on page 2 above comprise the agent’s commissions and the cost of issuing, structuring and hedging the Trigger PLUS.

On or prior to the pricing date, we will hedge our anticipated exposure in connection with the Trigger PLUS by entering into hedging transactions with our affiliates and/or third party dealers. We expect our hedging counterparties to take positions in the underlying commodity or futures contracts or forward contracts on the underlying commodity or positions in any other available instruments that they may wish to use in connection with such hedging. Such purchase activity could potentially increase the price of the underlying commodity on the pricing date, and therefore, could increase the trigger level, which is the price at or above which the underlying commodity

must close on the valuation date so that investors do not suffer a significant loss on their initial investment in the Trigger PLUS. In addition, through our affiliates, we are likely to modify our hedge position throughout the life of the Trigger PLUS, including on the valuation date, by purchasing and selling the underlying commodity or futures contracts or forward contracts on the underlying commodity or positions in any other available securities or instruments that we may wish to use in connection with such hedging activities. As a result, these entities may be unwinding or adjusting hedge positions during the term of the Trigger PLUS, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the valuation date approaches. We cannot give any assurance that our hedging activities will not affect the price of the underlying commodity and, therefore, adversely affect the value of the Trigger PLUS or the payment you will receive at maturity, if any. For further information on our use of proceeds and hedging, see “Use of Proceeds and Hedging” in the accompanying prospectus supplement for PLUS. Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (a “Plan”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the Trigger PLUS. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

**Benefit plan
investor
considerations:**

In addition, we and certain of our affiliates, including MS & Co., may each be considered a “party in interest” within the meaning of ERISA, or a “disqualified person” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”), with respect to many Plans, as well as many individual retirement accounts and Keogh plans (such accounts and plans, together with other plans, accounts and arrangements subject to Section 4975 of the Code, also “Plans”). ERISA Section 406 and Section 4975 of the Code generally prohibit transactions between Plans and parties in interest or disqualified persons. Prohibited transactions within the meaning of ERISA or the Code would likely arise, for example, if the Trigger PLUS are acquired by or with the assets of a Plan with respect to which MS & Co. or any of its affiliates is a service provider or other party in interest, unless the Trigger PLUS are acquired pursuant to an exemption from the “prohibited transaction” rules. A violation of these “prohibited transaction” rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions (“PTCEs”) that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the Trigger PLUS. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-

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house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts) and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and the related lending transactions, provided that neither the issuer of the securities nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of the Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than “adequate consideration” in connection with the transaction (the so-called “service provider” exemption). There can be no assurance that any of these class or statutory exemptions will be available with respect to transactions involving the Trigger PLUS.

Because we may be considered a party in interest with respect to many Plans, the Trigger PLUS may not be purchased, held or disposed of by any Plan, any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) or any person investing “plan assets” of any Plan, unless such purchase, holding or disposition is eligible for exemptive relief, including relief available under PTCEs 96-23, 95-60, 91-38, 90-1, 84-14 or the service provider exemption or such purchase, holding or disposition is otherwise not prohibited. Any purchaser, including any fiduciary purchasing on behalf of a Plan, transferee or holder of the Trigger PLUS will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the Trigger PLUS that either (a) it is not a Plan or a Plan Asset Entity and is not purchasing such Trigger PLUS on behalf of or with “plan assets” of any Plan or with any assets of a governmental, non-U.S. or church plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“Similar Law”) or (b) its purchase, holding and disposition of these Trigger PLUS will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violate any Similar Law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Trigger PLUS on behalf of or with “plan assets” of any Plan consult with their counsel regarding the availability of exemptive relief.

The Trigger PLUS are contractual financial instruments. The financial exposure provided by the Trigger PLUS is not a substitute or proxy for, and is not intended as a substitute or proxy for, individualized investment management or advice for the benefit of any purchaser or holder of the Trigger PLUS. The Trigger PLUS have not been designed and will not be administered in a manner intended to reflect the individualized needs and objectives of any purchaser or holder of the Trigger PLUS.

Each purchaser or holder of any Trigger PLUS acknowledges and agrees that:

(i) the purchaser or holder or its fiduciary has made and shall make all investment decisions for the purchaser or holder and the purchaser or holder has not relied and shall not rely in any way upon us or our affiliates to act as a fiduciary or adviser of the purchaser or holder with respect to (A) the design and terms of the Trigger PLUS, (B) the purchaser or holder's investment in the Trigger PLUS, or (C) the exercise of or failure to exercise any rights we have under or with respect to the Trigger PLUS;

(ii) we and our affiliates have acted and will act solely for our own account in connection with (A) all transactions relating to the Trigger PLUS and (B) all hedging transactions in connection with our obligations under the Trigger PLUS;

(iii) any and all assets and positions relating to hedging transactions by us or our affiliates are assets and positions of those entities and are not assets and positions held for the benefit of the purchaser or holder;

(iv) our interests are adverse to the interests of the purchaser or holder; and

(v) neither we nor any of our affiliates is a fiduciary or adviser of the purchaser or holder in connection with any such assets, positions or transactions, and any information that we or any of our affiliates may provide is not intended to be impartial investment advice.

Each purchaser and holder of the Trigger PLUS has exclusive responsibility for ensuring that its purchase, holding and disposition of the Trigger PLUS do not violate the prohibited transaction rules of ERISA or the Code or any Similar Law. The sale of any Trigger PLUS to any Plan or plan subject to Similar Law is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all

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relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan. In this regard, neither this discussion nor anything provided in this document is or is intended to be investment advice directed at any potential Plan purchaser or at Plan purchasers generally and such purchasers of these Trigger PLUS should consult and rely on their own counsel and advisers as to whether an investment in these Trigger PLUS is suitable.

However, individual retirement accounts, individual retirement annuities and Keogh plans, as well as employee benefit plans that permit participants to direct the investment of their accounts, will not be permitted to purchase or hold the Trigger PLUS if the account, plan or annuity is for the benefit of an employee of Morgan Stanley or Morgan Stanley Wealth Management or a family member and the employee receives any compensation (such as, for example, an addition to bonus) based on the purchase of the Trigger PLUS by the account, plan or annuity. Client accounts over which Morgan Stanley, Morgan Stanley Wealth Management or any of their respective subsidiaries have investment discretion are not permitted to purchase the Trigger PLUS, either directly or indirectly.

Additional considerations:

Supplemental information concerning plan of distribution; conflicts of interest:

The agent may distribute the Trigger PLUS through Morgan Stanley Smith Barney LLC (“Morgan Stanley Wealth Management”), as selected dealer, or other dealers, which may include Morgan Stanley & Co. International plc (“MSIP”) and Bank Morgan Stanley AG. Morgan Stanley Wealth Management, MSIP and Bank Morgan Stanley AG are affiliates of ours. Selected dealers, including Morgan Stanley Wealth Management, and their financial advisors will collectively receive from the agent, Morgan Stanley & Co. LLC, a fixed sales commission of \$17.50 for each Trigger PLUS they sell. In addition, Morgan Stanley Wealth Management will receive a structuring fee of \$5 for each Trigger PLUS.

MS & Co. is an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley and it and other affiliates of ours expect to make a profit by selling, structuring and, when applicable, hedging the Trigger PLUS. When MS & Co. prices this offering of Trigger PLUS, it will determine the economic terms of the Trigger PLUS such that for each Trigger PLUS the estimated value on the pricing date will be no lower than the minimum level described in “Investment Summary” on page 3.

MS & Co. will conduct this offering in compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA member firm’s distribution of the securities of an affiliate and related

conflicts of interest. MS & Co. or any of our other affiliates may not make sales in this offering to any discretionary account. See “Plan of Distribution (Conflicts of Interest)” and “Use of Proceeds and Hedging” in the accompanying prospectus supplement for Commodity PLUS. Morgan Stanley Wealth Management 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.

Contact:

Morgan Stanley and MSFL have filed a registration statement (including a prospectus, as supplemented by the prospectus supplement for PLUS) with the Securities and Exchange Commission, or SEC, for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement for PLUS and any other documents relating to this offering that Morgan Stanley and MSFL have filed with the SEC for more complete information about Morgan Stanley, MSFL and this offering. You may get these documents without cost by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, Morgan Stanley, MSFL, any underwriter or any dealer participating in the offering any underwriter or any dealer participating in the offering will arrange to send you the prospectus and the prospectus supplement for PLUS if you so request by calling toll-free 800-584-6837.

Where you can find

more information: You may access these documents on the SEC web site at www.sec.gov as follows:

[Prospectus Supplement for PLUS dated November 16, 2017](#)

[Prospectus dated November 16, 2017](#)

Terms used but not defined in this document are defined in the prospectus supplement for PLUS or in the prospectus.

“Performance Leveraged Upside SecuritiesSM” and “PLUSSM” are our service marks.