MORGAN STANLEY
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August 21, 2018

August 2018

Preliminary Terms No. 903

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Dated August 21, 2018

Filed pursuant to Rule 433

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due August 27, 2020

All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the NASDAQ-100 Index® and the SPDR® Dow Jones® Industrial Average℠ ETF Trust

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the closing level of **each** of the Russell 2000® Index, the NASDAQ-100 Index® **and** the SPDR® Dow Jones® Industrial Average℠ ETF Trust is **at or above** 80% of its respective initial level, which we refer to as the respective **coupon threshold level**, on the related observation date. However, if the closing level of **any** underlying is **less than** its **coupon threshold level** on any observation date, we will pay no interest for the related quarterly period. In addition, the securities will be automatically redeemed if the closing level of **each** underlying is **greater than or equal to** its respective **initial level** on any quarterly redemption determination date, for the early redemption payment equal to the sum of the stated principal amount plus the related contingent quarterly coupon. No further payments will be made on the securities once they have been redeemed. At maturity, if the securities have not previously been redeemed and the final level of **each** underlying is **greater than or equal to** 80% of its respective initial level, which we refer to as the respective downside threshold level, the payment at maturity will be the stated principal amount and the related contingent quarterly coupon. If, however, the final level of **any** underlying is **less than** its respective downside threshold level, investors will be fully exposed to the decline in the worst performing underlying on a 1-to-1 basis and will receive a payment at maturity that is **less than** 80% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons throughout the 2-year term of the securities.** Because all payments on the securities are based on the worst performing of the underlyings, a decline beyond the respective coupon threshold level or respective downside threshold level, as applicable, of any underlying will result in few or no contingent coupon payments or a significant loss of your investment, even if one or both of the other underlyings have appreciated or have not declined as much. The securities are for investors who are willing to risk their principal based on the worst performing of three underlyings and who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly coupons over the entire 2-year term. Investors will not participate in any appreciation of any underlying. 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
Underlyings:	Russell 2000® Index (the "RTY Index"), NASDAQ-100 Index® (the "NDX Index") and SPDR® Dow Jones® Industrial Average℠ ETF Trust (the "DIA Shares")
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 23, 2018
Original issue date:	August 28, 2018 (3 business days after the pricing date)
Maturity date:	August 27, 2020
Contingent quarterly coupon:	A *contingent* coupon will be paid on the securities on each coupon payment date ***but only if*** the closing level of **each** underlying is at or above its respective **coupon threshold level** on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of at least 9.30% *per annum* for each interest payment period for each applicable observation date. The actual contingent quarterly coupon rate will be determined on the pricing date. **If, on any observation date, the closing level of any underlying is less than its respective coupon threshold level, we will pay no coupon for the applicable quarterly period. It is possible that any underlying will remain below its respective coupon threshold level for extended periods of time or even throughout the entire 2-year term of the securities so that you will receive few or no contingent quarterly coupons.**
Payment at maturity:	If the securities have not been automatically redeemed prior to maturity, the payment at maturity will be determined as follows:

	If the final level of **each** underlying is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.
	If the final level of **any** underlying is **less than** its respective downside threshold level, investors will receive (i) the stated principal amount *multiplied by* (ii) the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 80% 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 $975.50 per security, or within $10.00 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	$17.50	$982.50
Total	$	$	$

(1) Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $17.50 for each security they sell. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying product supplement.

(2) See "Use of proceeds and hedging" on page 30.

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

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

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

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

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

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

Morgan Stanley Finance LLC

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Principal at Risk Securities

Terms continued from previous page:

Early redemption:	If, on any redemption determination date, beginning on November 23, 2018, the closing level of **each** underlying is **greater than or equal to** its respective initial level, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed. **The securities will not be redeemed early on any early redemption date if the closing level of any underlying is below the respective initial level for such underlying on the related redemption determination date.**
Early redemption payment:	The early redemption payment will be an amount equal to the stated principal amount for each security you hold *plus* the contingent quarterly coupon with respect to the related observation date.
Redemption determination dates:	Quarterly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below, subject to postponement for non-index business days and non-trading days, as applicable, and certain market disruption events.
Early redemption dates:	Beginning on November 28, 2018, quarterly. See "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below. If any such day is not a business day, that early redemption payment will be made on the next succeeding business day and no adjustment will be made to any early redemption payment made on that succeeding business day
Downside threshold level:	With respect to the RTY Index: , which is 80% of its initial level With respect to the NDX Index: , which is 80% of its initial level With respect to the DIA Shares: $, which is 80% of its initial level
Coupon threshold level:	With respect to the RTY Index: , which is 80% of its initial level With respect to the NDX Index: , which is 80% of its initial level With respect to the DIA Shares: $, which is 80% of its initial level
Initial level:	With respect to the RTY Index: , which is its closing level on the pricing date With respect to the NDX Index: , which is its closing level on the pricing date With respect to the DIA Shares: $, which is its closing level on the pricing date
Final level:	With respect to each underlying, the respective closing level on the final observation date
Closing level:	With respect to each of the RTY Index and the NDX Index, on any index business day, the respective index closing value on such day With respect to the DIA Shares, on any trading day, the closing price of one DIA Share on such day times the adjustment factor on such day
Worst performing	The underlying with the largest percentage decrease from the respective initial level to the respective final level

underlying:	
Performance factor:	Final level *divided by* the initial level
Coupon payment dates:	Quarterly, beginning November 28, 2018, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below; *provided* that if any such day is not a business day, that coupon payment will be made on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day. The contingent quarterly coupon, if any, with respect to the final observation date will be paid on the maturity date
Observation dates:	Quarterly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below, subject to postponement for non-index business days and non-trading days, as applicable, and certain market disruption events. We also refer to the observation date immediately prior to the scheduled maturity date as the final observation date.
Adjustment factor:	With respect to the DIA Shares, 1.0, subject to adjustment in the event of certain events affecting the DIA Shares
CUSIP / ISIN:	61768DCS2 / US61768DCS27
Listing:	The securities will not be listed on any securities exchange.

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

Observation Dates / Redemption Determination Dates	**Coupon Payment Dates / Early Redemption Dates**
November 23, 2018	November 28, 2018
February 25, 2019	February 28, 2019
May 23, 2019	May 29, 2019
August 23, 2019	August 28, 2019
November 25, 2019	November 29, 2019
February 24, 2020	February 27, 2020
May 26, 2020	May 29, 2020
August 24, 2020 (final observation date)	August 27, 2020 (maturity date)

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Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

Contingent Income Auto-Callable Securities due August 27, 2020 All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the NASDAQ-100 Index® and the SPDR® Dow Jones® Industrial Average℠ ETF Trust (the "securities") do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the closing level of **each** underlying is **at or above** its respective **coupon threshold level** on the related observation date. However, if the closing level of **any** underlying is **less than** its respective **coupon threshold level** on any observation date, we will pay no interest for the related quarterly period. If the closing level of **any** underlying is **less than** its respective **coupon threshold level** on each observation date, you will not receive any contingent quarterly coupon for the entire 2-year term of the securities. We refer to these coupons as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date. Even if each underlying were to be at or above its respective coupon threshold level on some quarterly observation dates, they may not all close at or above their respective coupon threshold levels on other observation dates, in which case you will not receive some contingent quarterly coupon payments. In addition, if the securities have not been automatically called prior to maturity and the final level of **any underlying** is **less than** its respective downside threshold level, investors will be fully exposed to the decline in the worst performing underlying on a 1-to-1 basis, and will receive a payment at maturity that is less than 80% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons throughout the entire 2-year term of the securities.**

Maturity:	Approximately 2 years
Contingent quarterly coupon:	A *contingent* quarterly coupon will be paid on the securities on each coupon payment date ***but only if*** the closing level of **each** underlying is at or above its respective **coupon threshold level** on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of at least 9.30% *per annum* for each interest payment period for each applicable observation date. The actual contingent quarterly coupon rate will be determined on the pricing date. **If, on any observation date, the closing level of any underlying is less than the respective coupon threshold level, we will pay no coupon for the applicable**

	quarterly period.
Automatic early redemption:	If the closing level of **each** underlying is **greater than or equal to** its **initial level** on any quarterly redemption determination date, beginning on November 23, 2018, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date. No further payments will be made on the securities once they have been redeemed.
Payment at maturity:	If the securities have not been automatically redeemed prior to maturity, the payment at maturity will be determined as follows: If the final level of **each** underlying is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date. If the final level of **any** underlying is **less than** its threshold level, investors will receive a payment at maturity equal to the stated principal amount *times* the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 80% of the stated principal amount of the securities and could be zero. No quarterly coupon will be payable at maturity. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.**

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Principal at Risk Securities

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date will be less than $1,000. We estimate that the value of each security on the pricing date will be approximately $975.50, or within $10.00 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 underlyings. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlyings, instruments based on the underlyings, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the contingent quarterly coupon rate, the coupon threshold levels and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more 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 underlyings, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 5 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlyings, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

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

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Principal at Risk Securities

Key Investment Rationale

The securities do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the closing level of **each** underlying is **at or above** its respective **coupon threshold level** on the related observation date. However, if the closing level of **any** underlying is **less than** its respective **coupon threshold level** on any observation date, we will pay no interest for the related quarterly period. The securities have been designed for investors who are willing to forgo market floating interest rates and accept the risk of receiving no coupon payments for the entire 2-year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if each underlying closes at or above its respective coupon threshold level on the quarterly observation dates until the securities are redeemed early or reach maturity.

The following scenarios are for illustrative purposes only to demonstrate how the coupon and the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed, the contingent quarterly coupon may be payable in none of, or some but not all of, the quarterly periods during the 2-year term of the securities and the payment at maturity may be less than 80% of the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity	This scenario assumes that, prior to early redemption, each underlying closes at or above its **coupon threshold level** on some quarterly observation dates, but one or more underlyings close below the respective coupon threshold level(s) on the others. Investors receive the contingent quarterly coupon, corresponding to a return of at least 9.30% *per annum*, for the quarterly periods for which each closing level is at or above the respective coupon threshold level on the related observation date, but not for the quarterly periods for which any closing level is below the respective coupon threshold level on the related observation date. The actual contingent quarterly coupon rate will be determined on the pricing date.
	When **each** underlying closes at or above its respective **initial level** on a quarterly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date.
Scenario 2: The securities are not redeemed prior to	This scenario assumes that each underlying closes at or above the respective coupon threshold level on some quarterly observation dates, but one or more underlyings close below the respective coupon threshold level(s) on the others, and each underlying closes below its

maturity, and investors receive principal back at maturity	respective initial level on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed, and investors receive the contingent quarterly coupon, corresponding to a return of at least 9.30% *per annum*, for the quarterly periods for which each closing level is at or above the respective coupon threshold level on the related observation date, but not for the quarterly periods for which any closing level is below the respective coupon threshold level on the related observation date. The actual contingent quarterly coupon rate will be determined on the pricing date.
	On the final observation date, each underlying closes at or above its downside threshold level. At maturity, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.

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Principal at Risk Securities

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity	This scenario assumes that each underlying closes at or above its respective coupon threshold level on some quarterly observation dates, but one or more underlyings close below the respective coupon threshold level(s) on the others, and each underlying closes below its respective initial level on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed, and investors receive the contingent quarterly coupon, corresponding to a return of at least 9.30% *per annum*, for the quarterly periods for which each closing level is at or above the respective coupon threshold level on the related observation date, but not for the quarterly periods for which any closing level is below the respective coupon threshold level on the related observation date. The actual contingent quarterly coupon rate will be determined on the pricing date. On the final observation date, one or more underlyings close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 80% of the stated principal amount and could be zero. No coupon will be paid at maturity in this scenario.

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Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the closing levels on each quarterly observation date, (2) the closing levels on each quarterly redemption determination date and (3) the final levels. Please see “Hypothetical Examples” beginning on page 9 for illustration of hypothetical payouts on the securities.

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

Diagram #2: Automatic Early Redemption

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Principal at Risk Securities

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

For more information about the payout upon an early redemption or at maturity in different hypothetical scenarios, see "Hypothetical Examples" starting on page 9.

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Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent quarterly coupon is paid with respect to an observation date and how to calculate the payment at maturity, if any, if the securities have not been automatically redeemed early. The following examples are for illustrative purposes only. Whether you receive a contingent quarterly coupon will be determined by reference to the closing level of each underlying on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final level of each underlying on the final observation date. The actual initial level, coupon threshold level and downside threshold level for each underlying will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The numbers in the hypothetical examples below may have been rounded for the ease of analysis. The below examples are based on the following terms:

Hypothetical Contingent Quarterly Coupon:	A *contingent* quarterly coupon will be paid on the securities on each coupon payment date ***but only if*** the closing level of **each** underlying is at or above its respective **coupon threshold level** on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of at least 9.30% *per annum* (to be determined on the pricing date) for each interest payment period for each applicable observation date. These hypothetical examples reflect the hypothetical contingent quarterly coupon rate of 9.30% *per annum* (corresponding to approximately $23.25 per quarter per security*).
Automatic Early Redemption:	If the closing level of **each** underlying is greater than or equal to its respective **initial level** on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date.
Payment at Maturity (if the securities have not been automatically redeemed early):	If the final level of **each** underlying is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date. If the final level of **any** underlying is **less than** its respective downside threshold level, investors will receive a payment at maturity equal to the stated principal amount *multiplied by* the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 80% of the stated principal amount of the securities and could be zero.
Stated Principal Amount:	$1,000

Hypothetical Initial Level:	With respect to the RTY Index: 1,200 With respect to the NDX Index: 6,500 With respect to the DIA Shares: $250
Hypothetical Coupon Threshold Level:	With respect to the RTY Index: 960, which is 80% of the hypothetical initial level for such underlying With respect to the NDX Index: 5,200, which is 80% of the hypothetical initial level for such underlying With respect to the DIA Shares: $200, which is 80% of the hypothetical initial level for such underlying
Hypothetical Downside Threshold level:	With respect to the RTY Index: 960, which is 80% of the hypothetical initial level for such underlying With respect to the NDX Index: 5,200, which is 80% of the hypothetical initial level for such underlying With respect to the DIA Shares: $200, which is 80% of the hypothetical initial level for such underlying

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* The actual contingent quarterly coupon will be an amount determined by the calculation agent based on the actual contingent quarterly coupon rate and the number of days in the applicable payment period, calculated on a 30/360 basis. The hypothetical contingent quarterly coupon of $23.25 is used in these examples for ease of analysis.

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

	Closing Level RTY Index	NDX Index	DIA Shares	Contingent Quarterly Coupon
Hypothetical Observation Date 1	1,750 (**at or above** the coupon threshold level)	7,280 (**at or above** the coupon threshold level)	$265 (**at or above** the coupon threshold level)	$23.25
Hypothetical Observation Date 2	800 (**below** the coupon threshold level)	5,525 (**at or above** the coupon threshold level)	$265 (**at or above** the coupon threshold level)	$0
Hypothetical Observation Date 3	1,400 (**at or above** the coupon threshold level)	1,950 (**below** the coupon threshold level)	$180 (**below** the coupon threshold level)	$0
Hypothetical Observation Date 4	700 (**below** the coupon threshold level)	2,080 (**below** the coupon threshold level)	$150 (**below** the coupon threshold level)	$0

On hypothetical observation date 1, each underlying closes at or above its respective coupon threshold level. Therefore, a contingent quarterly coupon of $23.25 is paid on the relevant coupon payment date.

On each of hypothetical observation dates 2 and 3, at least one underlying closes at or above its respective coupon threshold level, but one or both of the other underlyings close below their respective coupon threshold levels. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

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

If the closing level of any underlying is less than its respective coupon threshold level on each observation date, you will not receive any contingent quarterly coupons for the entire 2-year term of the securities.

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Principal at Risk Securities

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

If the closing level of each underlying is greater than or equal to its initial level on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount for each security you hold *plus* the contingent quarterly coupon with respect to the related observation date.

The examples below illustrate how to calculate the payment at maturity if the securities have not been automatically redeemed prior to maturity.

	Final Level			Payment at Maturity
	RTY Index	NDX Index	DIA Shares	
Example 1:	540 (**below** the downside threshold level)	3,900 (**below** the downside threshold level)	$210 (**at or above** the downside threshold level)	$1,000 x performance factor of the worst performing underlying = $1,000 x (540 / 1,200) = $450
Example 2:	1,200 (**at or above** the downside threshold level)	5,500 (**at or above** the downside threshold level)	$100 (**below** the downside threshold level)	$1,000 x ($100 / $250) = $400
Example 3:	540 (**below** the downside threshold level)	3,900 (**below** the downside threshold level)	$75 (**below** the downside threshold level)	$1,000 x ($75 / $250) = $300
Example 4:	360 (**below** the threshold level)	2,600 (**below** the threshold level)	$100 (**below** the downside threshold level)	$1,000 x (360 / 1,200) = $300
Example 5:	1,300 (**at or above** the downside threshold level)	7,500 (**at or above** the downside threshold level)	$275 (**at or above** the downside threshold level)	The stated principal amount + the contingent quarterly coupon with respect to the final observation date. For more information, please see above under "How to determine whether a contingent quarterly coupon is payable with respect to an observation date."

In examples 1 and 2, the final level(s) of one or two of the underlyings are at or above the respective downside threshold level(s), but the final level(s) of one or both of the other underlyings are below the respective downside threshold level(s). Therefore, investors are exposed to the downside performance of the worst performing underlying at maturity and receive at maturity an amount equal to the stated principal amount *multiplied by* the performance factor of the worst performing underlying. Moreover, investors do not receive any contingent quarterly coupon for the final quarterly period.

Similarly, in examples 3 and 4, the final level of each underlying is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the performance factor of the worst performing underlying. In example 3, the RTY Index has declined 55% from its initial level to its final level, the NDX Index has declined 40% from its initial level to its final level and the DIA Shares have declined 70% from their initial level to their final level. Therefore, the payment at maturity equals the stated principal amount *multiplied by* the performance factor of the DIA Shares, which represent the worst performing underlying in this example. In example 4, the RTY Index has declined 70% from its initial level to its final level, the NDX Index has declined 60% from its initial level to its final level and the DIA Shares have declined 60% from their initial level to their final level. Therefore, the payment at maturity equals the stated principal amount *times* the performance factor of the RTY Index, which is the worst performing underlying in this example. Moreover, investors do not receive the contingent quarterly coupon for the final quarterly period.

In example 5, the final level of each underlying is at or above its respective downside threshold level. Therefore, investors receive at maturity the stated principal amount of the securities *plus* the contingent quarterly coupon with respect to the final observation date. However, investors do not participate in any appreciation of the underlyings.

If the final level of ANY underlying is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying at maturity, and your payment at maturity will be less than $800 per security and could be zero.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due August 27, 2020

All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the NASDAQ-100 Index® and the SPDR® Dow Jones® Industrial Average℠ ETF Trust

Principal at Risk Securities

Risk Factors

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

§ **The securities do not guarantee the return of any principal.** The terms of the securities differ from those of ordinary debt securities in that they do not guarantee the repayment of any principal. If the securities have not been automatically redeemed prior to maturity, and if the final level of **any** underlying is less than its threshold level of 80% of its initial level, you will be exposed to the decline in the final level of the worst performing underlying, as compared to its initial level, 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 *multiplied by* the performance factor of the worst performing underlying. **In this case, the payment at maturity will be less than 80% of the stated principal amount and could be zero.**

§ **The securities do not provide for the regular payment of interest.** The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the closing level of **each** underlying is **at or above** its respective **coupon threshold level** on the related observation date. If the closing level of **any** underlying is lower than its **coupon threshold level** on the relevant observation date for any interest period, we will pay no coupon on the applicable coupon payment date. It is possible that the closing level of any underlying will be less than its respective **coupon threshold level** for extended periods of time or even throughout the entire term of the securities so that you will receive few or no contingent quarterly coupons**.** If you do not earn sufficient contingent quarterly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ **You are exposed to the price risk of each underlying, with respect to both the contingent quarterly coupons, if any, and the payment at maturity, if any.** Your return on the securities is not linked to a basket consisting of the underlyings. Rather, it will be contingent upon the independent performance of each underlying. 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. Poor performance by **any** underlying over the term of the securities will negatively affect your return and will not be offset or mitigated by any positive performance by the other underlyings. To receive **any** contingent quarterly coupons, **each** underlying must close at or above its respective coupon threshold level on the applicable observation date. In addition, if the securities have not been automatically redeemed early and **any** underlying has declined to below its respective downside threshold level as of the final observation date, you will be **fully exposed** to the decline in the worst performing underlying over the term of the securities on a 1-to-1 basis, even if one or both of the other underlyings have appreciated or have not declined as much. Under this scenario, the value of any such payment will be less than 80% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of each underlying.

§ **Because the securities are linked to the performance of the worst performing underlying, you are exposed to greater risks of receiving no contingent quarterly coupons and sustaining a significant loss on your investment than if the securities were linked to just one underlying.** The risk that you will not receive any contingent quarterly coupons, 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. With three underlyings, it is more likely that any underlying will close below its coupon threshold level on any observation date, and below its downside threshold level on the final observation date, than if the securities were linked to only one underlying. Therefore, it is more likely that you will not receive any contingent quarterly coupons and that you will suffer a significant loss on your investment. In addition, because each underlying must close above its initial level on a quarterly redemption determination date in order for the securities to be called prior to maturity, the securities are less likely to be called on any early redemption date than if the securities were linked to just one underlying.

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Principal at Risk Securities

§ **The contingent quarterly coupon, if any, is based on the value of each underlying on only the related quarterly observation date at the end of the related interest period.** Whether the contingent quarterly coupon will be paid on any coupon payment date will be determined at the end of the relevant interest period based on the closing level of each underlying on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent quarterly coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent quarterly coupon is based solely on the value of each underlying on quarterly observation dates, if the closing level of any underlying on any observation date is below the coupon threshold level for such underlying, you will not receive the contingent quarterly coupon for the related interest period, even if the level of such underlying was at or above its respective coupon threshold level on other days during that interest period, and even if the closing level(s) of one or both of the other underlyings are at or above their respective coupon threshold level(s).

§ **Investors will not participate in any appreciation in any underlying.** Investors will not participate in any appreciation in any underlying from the initial level for such underlying, and the return on the securities will be limited to the contingent quarterly coupons, if any, that are paid with respect to each observation date on which the closing level of each underlying is greater than or equal to its respective coupon threshold level, if any.

§ **The market price will be influenced by many unpredictable factors.** Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market. We expect that generally the level of interest rates available in the market and the value of each underlying on any day, including in relation to its respective coupon threshold level, downside threshold level and initial 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 each underlying and of the stocks composing the RTY Index, the NDX Index and the share underlying index,

o whether the closing level of any underlying has been below its respective coupon threshold level on any observation date,

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

o dividend rates on the securities underlying the RTY Index, the NDX Index and the share underlying index,