

MORGAN STANLEY
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January 2019

Preliminary Terms No. 1,485

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Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Jump Securities with Auto-Callable Feature due February 2, 2024, With 1-Year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”), fully and unconditionally guaranteed by Morgan Stanley, and 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. The securities will be automatically redeemed if the index closing value of **each** of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index, which we refer to as the underlying indices, on any of the quarterly determination dates (beginning after one year) is greater than or equal to 90% of its respective initial index value, which we refer to as the respective call threshold level, for an early redemption payment that will increase over the term of the securities, as described below. 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 index value of each underlying index is **greater than or equal to** its respective call threshold level, investors will receive a fixed positive return, as set forth below. If the securities have not previously been redeemed and the final index value of **any underlying index is less than** its respective call threshold level but the final index value of **each underlying index is greater than or equal to 60%** of its respective initial index value, which we refer to as the respective downside threshold level, investors will receive a payment at maturity of \$1,000 per \$1,000 security. However, if the securities are not redeemed prior to maturity and the final index value of **any underlying index is less than** its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 60% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.** These long-dated securities are for investors who are willing to forego current income and participation in the appreciation of

any underlying index, and willing to risk their principal based on the worst-performing of three equity indices, in exchange for the possibility of receiving an early redemption payment or payment at maturity greater than the stated principal amount if each underlying index closes at or above the respective call threshold level on a quarterly determination date (beginning after one year) or the final determination date, respectively. Because all payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective downside threshold level of any underlying index will result in a significant loss of your investment, even if the other underlying indices have appreciated or have not declined as much. Investors will not participate in any appreciation of any underlying index. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

SUMMARY TERMS

Issuer: Morgan Stanley Finance LLC
Guarantor: Morgan Stanley
Underlying indices: NASDAQ-100 Index® (the "NDX Index"), Dow Jones Industrial AverageSM (the "INDU Index") and Russell 2000 Index (the "RTY Index")
Aggregate principal amount: \$
Stated principal amount: \$1,000 per security
Issue price: \$1,000 per security
Pricing date: January 30, 2019
Original issue date: February 4, 2019 (3 business days after the pricing date)
Maturity date: February 2, 2024

The securities are not subject to automatic early redemption until approximately one year after the original issue date. Following this initial one-year non-call period, if, on any quarterly determination date, beginning on January 30, 2020, the index closing value of **each** underlying index is **greater than or equal to** its respective call threshold level, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date.

Early redemption:

The securities will not be redeemed early on any early redemption date if the index closing value of any underlying index is below its respective call threshold level on the related determination date.

The early redemption payment will be determined by the calculation agent and will be an amount in cash per stated principal amount (corresponding to a return of at least 10.00% *per annum*, to be determined on the pricing date) for each quarterly determination date (beginning after one year), as set forth under "Determination Dates and Early Redemption Payments" below.

Early redemption payment:

No further payments will be made on the securities once they have been redeemed.

Determination dates:

Beginning after one year, quarterly. See "Determination Dates and Early Redemption Payments" below. The

determination dates are subject to postponement for non-index business days and certain market disruption events.

Early redemption dates:

The third business day after the relevant determination date
With respect to the NDX Index, , which is 60% of its initial index value

Downside threshold level:

With respect to the INDU Index, , which is 60% of its initial index value

With respect to the RTY Index, , which is 60% of its initial index value

With respect to the NDX Index, , which is 90% of its initial index value

Call threshold level:

With respect to the INDU Index, , which is 90% of its initial index value

With respect to the RTY Index, , which is 90% of its initial index value

If the securities have not previously been redeemed, you will receive at maturity a cash payment per security equal to:

- If the final index value of **each underlying index** is **greater than or equal to** its respective call threshold level:

At least \$1,500 (to be determined on the pricing date)

Payment at maturity:

- If the final index value of **any underlying index is less than** its respective call threshold level but the final index value of **each underlying index is greater than or equal to** its respective downside threshold level:

\$1,000

- If the final index value of **any underlying index is less than** its respective downside threshold level:

$\$1,000 \times$ index performance factor of the worst performing underlying index

Under these circumstances, you will lose more than 40%, and possibly all, of your investment.

Terms continued on the following page

Agent:

Morgan Stanley & Co. LLC (“MS & Co.”), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See “Supplemental information regarding plan of distribution; conflicts of interest.”

Estimated value on the pricing date: Approximately \$972.50 per security, or within \$30.00 of that estimate. See “Investment Summary” beginning on page

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

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

(2) *See "Use of proceeds and hedging" on page 25.*

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 11.

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

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

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

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

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

Index Supplement dated
Prospectus dated November 16, 2017

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due February 2, 2024, With 1-Year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Principal at Risk Securities

Terms continued from previous page:

	With respect to the NDX Index, _____, which is its index closing value on the pricing date
Initial index value:	With respect to the INDU Index, _____, which is its index closing value on the pricing date
	With respect to the RTY Index, _____, which is its index closing value on the pricing date
Final index value:	With respect to each underlying index, the respective index closing value on the final determination date
Worst performing underlying index:	The underlying index with the largest percentage decrease from the respective initial index value to the respective final index value
Index performance factor:	With respect to each underlying index, the final index value <i>divided by</i> the initial index value, as determined by the calculation agent
CUSIP / ISIN:	61768DZG3 / US61768DZG32
Listing:	The securities will not be listed on any securities exchange.

Determination Dates and Early Redemption Payments

(Beginning After One Year)

Determination Dates	Early Redemption Payments (per \$1,000 Security)*
1 st determination date: 1/30/2020	At least \$1,100
2 nd determination date: 4/30/2020	At least \$1,125
3 rd determination date: 7/30/2020	At least \$1,150
4 th determination date: 10/30/2020	At least \$1,175
5 th determination date: 1/29/2021	At least \$1,200
6 th determination date: 4/30/2021	At least \$1,225
7 th determination date: 7/30/2021	At least \$1,250
8 th determination date: 10/29/2021	At least \$1,275
9 th determination date: 1/31/2022	At least \$1,300
10 th determination date: 4/29/2022	At least \$1,325
11 th determination date: 7/29/2022	At least \$1,350
12 th determination date: 10/31/2022	At least \$1,375
13 th determination date: 1/30/2023	At least \$1,400
14 th determination date: 4/28/2023	At least \$1,425
15 th determination date: 7/31/2023	At least \$1,450
16 th determination date: 10/30/2023	At least \$1,475
Final determination date: 1/30/2024	See "Payment at maturity" above

*The actual early redemption payment with respect to each determination date will be determined on the pricing date and will be an amount in cash per stated principal amount determined by the calculation agent corresponding to a return of at least 10.00% *per annum*.

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All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Principal at Risk Securities

Investment Summary

Jump Securities with Auto-Callable Feature

Principal at Risk Securities

The Jump Securities with Auto-Callable Feature due February 2, 2024 All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index (the “securities”) do not provide for the regular payment of interest. Instead, the securities will be automatically redeemed if the index closing value of **each** of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index on any quarterly determination date, beginning after one year, is greater than or equal to its respective call threshold level, for an early redemption payment that will increase over the term of the securities, as described below. 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 index value of each underlying index is **greater than or equal to** its respective call threshold level, investors will receive a fixed positive return, as set forth below. If the securities have not previously been redeemed and the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive a payment of maturity of \$1,000 per \$1,000 security. However, if the securities are not redeemed prior to maturity and the final index value of **any underlying index** is less than its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 60% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.** Investors will not participate in any appreciation in any underlying index.

Maturity: Approximately 5 years

Automatic early redemption: **The securities are not subject to automatic early redemption until approximately one year after the original issue date.** Following this initial one-year non-call period, if, on any quarterly determination date, the index closing value of each underlying index is greater than or equal to its respective call threshold level, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date.

Early redemption payment: The early redemption payment will be an amount in cash per stated principal amount (corresponding to a return of at least 10.00% *per annum*) for each quarterly determination date (beginning after one year), as follows*:

- 1st determination date: At least \$1,100
- 2nd determination date: At least \$1,125
- 3rd determination date: At least \$1,150
- 4th determination date: At least \$1,175
- 5th determination date: At least \$1,200
- 6th determination date: At least \$1,225
- 7th determination date: At least \$1,250
- 8th determination date: At least \$1,275
- 9th determination date: At least \$1,300
- 10th determination date: At least \$1,325
- 11th determination date: At least \$1,350
- 12th determination date: At least \$1,375
- 13th determination date: At least \$1,400
- 14th determination date: At least \$1,425
- 15th determination date: At least \$1,450
- 16th determination date: At least \$1,475

*The actual early redemption payment with respect to each applicable determination date will be determined on the pricing date.

No further payments will be made on the securities once they have been redeemed.

Morgan Stanley Finance LLC

Jump Securities with Auto-Callable Feature due February 2, 2024, With 1-Year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Principal at Risk Securities

If the securities have not previously been redeemed, you will receive at maturity a cash payment per security as follows:

- If the final index value of **each** underlying index is **greater than or equal to** its respective call threshold level:

At least \$1,500 (to be determined on the pricing date)

- If the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level:

Payment at maturity:

\$1,000

- If the final index value of **any** underlying index is **less than** its respective downside threshold level:

$\$1,000 \times$ index performance factor of the worst performing underlying index

Under these circumstances, investors will lose a significant portion or all of their investment. Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.

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 \$972.50, or within \$30.00 of that estimate. Our estimate of the value of the securities as determined on

the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

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

What determines the economic terms of the securities?

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

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Principal at Risk Securities

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

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All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Principal at Risk Securities

Key Investment Rationale

The securities do not provide for the regular payment of interest. Instead, the securities will be automatically redeemed if the index closing value of **each of** the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index on any quarterly determination date, beginning after one year, is greater than or equal to its respective call threshold level.

The following scenarios are for illustrative purposes only to demonstrate how an automatic early redemption payment or 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 prior to maturity and the payment at maturity may be less than 60% of the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity

Beginning after one year, when each underlying index closes at or above its respective call threshold level on any quarterly determination date, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date. Investors do not participate in any appreciation in any underlying index.

Scenario 2: The securities are not redeemed prior to maturity, and investors receive a fixed positive return at maturity

This scenario assumes that any underlying index closes below its respective call threshold level on each of the quarterly determination dates (beginning after one year). Consequently, the securities are not redeemed prior to maturity. On the final determination date, each underlying index closes at or above its respective call threshold level. At maturity, investors will receive a cash payment equal to at least \$1,500 per stated principal amount (to be determined on the pricing date). Investors do not participate in any appreciation in any underlying index.

Scenario 3: The securities are not redeemed prior to maturity, and investors receive the return of principal at maturity

This scenario assumes that any underlying index closes below its respective call threshold level on each of the quarterly determination dates (beginning after one year). Consequently, the securities are not redeemed prior to maturity. On the final determination date, at least one underlying index closes below its respective call threshold level, but the final index value of each underlying index is greater than or equal to its respective downside threshold level. At maturity, investors will receive a cash payment equal to \$1,000 per \$1,000 security.

Scenario 4: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity

This scenario assumes that any underlying index closes below its respective call threshold level on each of the quarterly determination dates. Consequently, the securities are not redeemed prior to maturity. On the final determination date, any underlying index closes below its respective downside threshold level. At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be significantly less than the stated principal amount and could be zero.

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All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples are for illustrative purposes only. Whether the securities are redeemed prior to maturity will be determined by reference to the index closing value of each underlying index on each of the quarterly determination dates (beginning after one year), and the payment at maturity, if any, will be determined by reference to the index closing value of each underlying index on the final determination date. The actual early redemption payment with respect to each applicable determination date, initial index values, call threshold levels and downside threshold levels will be determined on the pricing date. Some numbers appearing in the examples below have been rounded for ease of analysis. All payments on the securities are subject to our credit risk. The below examples are based on the following terms:

Hypothetical Early Redemption Payment: The hypothetical early redemption payment will be an amount in cash per stated principal amount (corresponding to a return of approximately 10.00% *per annum*) for each quarterly determination date, as follows:

- 1st determination date: \$1,100
- 2nd determination date: \$1,125
- 3rd determination date: \$1,150
- 4th determination date: \$1,175
- 5th determination date: \$1,200
- 6th determination date: \$1,225
- 7th determination date: \$1,250
- 8th determination date: \$1,275
- 9th determination date: \$1,300
- 10th determination date: \$1,325
- 11th determination date: \$1,350
- 12th determination date: \$1,375

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·13th determination date: \$1,400

·14th determination date: \$1,425

·15th determination date: \$1,450

·16th determination date: \$1,475

No further payments will be made on the securities once they have been redeemed. If the securities have not previously been redeemed, you will receive at maturity a cash payment per security as follows:

· If the final index value of **each** underlying index is **greater than or equal to** its respective call threshold level:

\$1,500 (the actual payment at maturity for this scenario will be determined on the pricing date)

· If the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level:

Payment at Maturity

\$1,000

· If the final index value of **any** underlying index is **less than** its respective downside threshold level:

$\$1,000 \times$ index performance factor of the worst performing underlying index.

Under these circumstances, you will lose a significant portion or all of your investment.

Stated Principal Amount:

\$1,000

With respect to the NDX Index: 6,800

Hypothetical Initial Index Value:

With respect to the INDU Index: 25,000

With respect to the RTY Index: 1,200

Hypothetical Downside
Threshold Level: With respect to the NDX Index: 4,080, which is 60% of its hypothetical initial index value

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Principal at Risk Securities

With respect to the INDU Index: 15,000, which is 60% of its hypothetical initial index value

With respect to the RTY Index: 720, which is 60% of its hypothetical initial index value

With respect to the NDX Index: 6,120, which is 90% of its hypothetical initial index value

Hypothetical Call Threshold Level:

With respect to the INDU Index: 22,500, which is 90% of its hypothetical initial index value

With respect to the RTY Index: 1,080, which is 90% of its hypothetical initial index value

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Principal at Risk Securities

Automatic Call:

Example 1 — the securities are redeemed following the second determination date (beginning after one year)

Date	NDX Index Closing Value	INDU Index Closing Value	RTY Index Closing Value	Payment (per Security)
1 st Determination Date	7,200 (at or above the call threshold level)	27,000 (at or above the call threshold level)	950 (below the call threshold level)	--
2 nd Determination Date	7,500 (at or above the call threshold level)	26,500 (at or above the call threshold level)	1,750 (at or above the call threshold level)	\$1,125

In this example, on the first determination date, the index closing values of two of the underlying indices are at or above their respective call threshold levels, but the index closing value of the other underlying index is below its respective call threshold level. Therefore, the securities are not redeemed. On the second determination date, the index closing value of each underlying index is at or above the respective call threshold level. Therefore, the securities are automatically redeemed on the second early redemption date. Investors will receive a payment of \$1,125 per security on the related early redemption date. No further payments will be made on the securities once they have been redeemed, and investors do not participate in the appreciation in any underlying index.

How to calculate the payment at maturity:

In the following examples, one or more of the underlying indices close below the respective call threshold level(s) on each of the quarterly determination dates, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

	NDX Index Final Index Value	INDU Index Final Index Value	RTY Index Final Index Value	Payment at Maturity (per Security)
Example 1:	8,300 (at or above its call threshold level)	27,550 (at or above its call threshold level)	2,500 (at or above its call threshold level)	\$1,500

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Example 2:	5,780 (below its call threshold level but at or above its downside threshold level)	28,750 (at or above its call threshold level and downside threshold level)	1,320 (at or above its call threshold level and downside threshold level)	\$1,000
Example 3:	8,500 (at or above its call threshold level and downside threshold level)	28,750 (at or above its call threshold level and downside threshold level)	480 (below its downside threshold level)	\$1,000 x (480 / 1,200) = \$400
Example 4:	1,360 (below its downside threshold level)	27,500 (at or above its call threshold level and downside threshold level)	960 (below its call threshold level but at or above its downside threshold level)	\$1,000 x (1,360 / 6,800) = \$200
Example 5:	3,060 (below its downside threshold level)	5,000 (below its downside threshold level)	600 (below its downside threshold level)	\$1,000 x (5,000 / 25,000) = \$200

In example 1, the final index value of each underlying index is at or above its respective call threshold level. Therefore, investors receive at maturity a fixed positive return. Investors do not participate in any appreciation in any underlying index.

In example 2, the final index values of two of the underlying indices are at or above their call threshold levels and downside threshold levels, but the final index value of the other underlying index is below its call threshold level and at or above its downside threshold level. The INDU Index has increased 15% from its initial index value to its final index value, the RTY Index has increased 10% from its initial index value to its final index value and the NDX Index has declined 15% from its initial index value to its final

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Principal at Risk Securities

index value. Therefore, investors receive \$1,000 per security at maturity. Investors do not participate in any appreciation in any underlying index.

In example 3, the final index values of two of the underlying indices are at or above their call threshold levels and downside threshold levels, but the final index value of the other underlying index is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity. The NDX Index has increased 25% from its initial index value to its final index value, the INDU Index has increased 15% from its initial index value to its final index value and the RTY Index has declined 60% from its initial index value to its final index value. Therefore, investors receive at maturity an amount equal to the stated principal amount times the index performance factor of the RTY Index, which is the worst performing underlying index in this example.

In example 4, the final index value of one of the underlying indices is at or above its call threshold level and downside threshold level, the final index value of one of the underlying indices is below its call threshold level and at or above its downside threshold level, and the final index value of the other underlying index is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity. The INDU Index has increased 10% from its initial index value to its final index value, the RTY Index has declined 20% from its initial index value to its final index value and the NDX Index has declined 80% from its initial index value to its final index value. Therefore, investors receive at maturity an amount equal to the stated principal amount times the index performance factor of the NDX Index, which is the worst performing underlying index in this example.

In example 5, the final index value of each underlying index is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. The NDX Index has declined 55% from its initial index value to its final index value, the INDU Index has declined 80% from its initial index value to its final index value and the RTY Index has declined 50% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the INDU Index, which is the worst performing underlying index in this example.

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

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Jump Securities with Auto-Callable Feature due February 2, 2024, With 1-Year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index[®], the Dow Jones Industrial AverageSM and the Russell 2000[®] Index

Principal at Risk Securities

Risk Factors

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

The securities do not pay regular interest or guarantee the return of any principal. The terms of the securities differ from those of ordinary debt securities in that they do not pay regular interest or guarantee the return of any of the principal amount at maturity. If the securities have not been automatically redeemed prior to maturity and if the final index value of **any underlying index** is less than its respective downside threshold level of 60% of its initial index value, you will be exposed to the decline in the value of the worst performing underlying index, as compared to its initial index value, on a 1-to-1 basis, and you will receive for each security that you hold at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. In this case, the payment at maturity will be less than 60% of the stated principal amount and could be zero.

The appreciation potential of the securities is limited by the fixed early redemption payment or payment at maturity specified for each determination date. The appreciation potential of the securities is limited to the fixed early redemption payment specified for each determination date if each underlying index closes at or above its respective call threshold level on any quarterly determination date (beginning after one year) or to the fixed upside payment at maturity if the securities have not been redeemed and the final index value of each underlying index is at or above its call threshold level. In all cases, you will not participate in any appreciation of any underlying index, which could be significant.

§ You are exposed to the price risk of each underlying index. Your return on the securities is not linked to a basket consisting of each underlying index. Rather, it will be contingent upon the independent performance of each underlying index. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is mitigated and diversified among all the components of the basket, you will be exposed to the risks related to each underlying index. Poor performance by **any underlying index** over the term of the securities may negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying indices. To receive an early redemption payment, **each underlying index** must close at or above its respective call threshold level on the applicable determination date. In addition, if the securities have not been redeemed and **any underlying index** has declined to below its respective downside threshold level as of the final determination date, you will be **fully exposed** to the decline in the worst performing underlying index over the term of the securities on a 1-to-1 basis, even if the other underlying indices have appreciated or have not declined as much. Under this scenario, the value of any such payment at maturity will be less than 60% of the stated principal amount and could be zero.

Accordingly, your investment is subject to the price risk of each underlying index.

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

- o the volatility (frequency and magnitude of changes in value) of the underlying indices,

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

- o dividend rates on the securities underlying the underlying indices,

- o the time remaining until the securities mature,

- o interest and yield rates in the market,

Morgan Stanley Finance LLC