

MORGAN STANLEY  
Form 424B2  
July 17, 2018

***CALCULATION OF REGISTRATION FEE***

<i>Title of Each Class of Securities Offered</i>	<i>Maximum Aggregate Offering Price</i>	<i>Amount of Registration Fee</i>
Worst of Fixed Coupon Auto-Callable RevCons <sup>SM</sup> due 2020	\$3,593,000	\$447.33

July 2018

Pricing Supplement No. 801

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

Dated July 13, 2018

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Worst of Fixed Coupon Auto-Callable RevCons<sup>SM</sup> due January 21, 2020

**Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc., and the Common Stock of NVIDIA Corporation**

**Fully and Unconditionally Guaranteed by Morgan Stanley**

**Principal at Risk Securities**

The Worst of Fixed Coupon Auto-Callable RevCons<sup>SM</sup> due January 21, 2020 Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc. and the Common Stock of NVIDIA Corporation, which we refer to as the securities, are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities do not guarantee the repayment of any principal. Instead, the securities offer the opportunity for investors to earn a fixed monthly coupon at an annual rate of 6.504%. In addition, if the determination closing price of **each of the** class A ordinary shares of Royal Dutch Shell plc, the common stock of General Mills, Inc. and the common stock of NVIDIA Corporation is greater than or equal to its respective then-applicable redemption threshold level on any monthly determination date (beginning after six months), the securities will be automatically redeemed for an amount

per security equal to the stated principal amount and the related monthly coupon. However, if the securities are not automatically redeemed prior to maturity, the payment at maturity due on the securities will be, in addition to the final monthly coupon, either (i) if the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the stated principal amount, or (ii) if the final share price of **any underlying stock** is **less than** its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying stock on a 1-to-1 basis and will receive a payment at maturity that reflects the full depreciation in the price of the worst performing underlying stock and that is significantly less than the principal amount of the securities and could be zero. As a result, investors must be willing to accept the risk of receiving a payment at maturity that is significantly less than the stated principal amount of the securities and could be zero. **Accordingly, investors could lose their entire initial investment in the securities.** The securities are for investors who are willing to risk their principal based on the worst performing of three underlying stocks in exchange for the opportunity to earn interest at a potentially above-market rate. Investors will not participate in the appreciation of any of the underlying stocks. Because the payment at maturity on the securities is based on the worst performing underlying stock, a decline beyond the respective downside threshold level of **any underlying stock** will result in a significant loss of your investment even if one or both of the other underlying stocks have appreciated or have not declined as much. Investors will therefore be exposed to the risks related to **each underlying stock**. The securities are 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.**

#### FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley Royal Dutch Shell plc class A ordinary shares (the "RDSA Stock"), General Mills, Inc. common stock (the "GIS Stock") and NVIDIA Corporation common stock (the "NVDA Stock")
Underlying stocks:	
Aggregate principal amount:	\$3,593,000
Stated principal amount:	\$1,000 per security
Issue price:	\$1,000 per security
Pricing date:	July 13, 2018
Original issue date:	July 20, 2018 (5 business days after the pricing date)
Maturity date:	January 21, 2020
Early redemption:	The securities are not subject to automatic early redemption until January 20, 2019. Following this initial 6-month non-call period, if, on any determination date other than the final determination date, the determination closing price of <b>each underlying stock</b> is <b>greater than or equal to</b> its respective then-applicable redemption threshold level, the securities will be automatically redeemed for an early redemption payment on the related early redemption date; <i>provided</i> that if, due to a market disruption event or otherwise, such determination date is postponed, the early redemption payment shall be made on the fifth business day following such determination date as postponed. No further

payments will be made on the securities once they have been redeemed.

**The securities will not be redeemed early if the determination closing price of any underlying stock is less than the respective then-applicable redemption threshold level for such underlying stock on the related determination date.**

Early redemption payment:

The early redemption payment will be an amount equal to (i) the stated principal amount *plus* (ii) the monthly coupon for the related monthly interest period.

Early redemption dates:

January 20, 2019, February 20, 2019, March 20, 2019, April 20, 2019, May 20, 2019, June 20, 2019, July 20, 2019, August 20, 2019, September 20, 2019, October 20, 2019, November 20, 2019 and December 20, 2019; *provided* that if any such day is not a business day, the related payment will be made on the next succeeding business day and no adjustment will be made to any payment made on that succeeding business day.

Determination closing price:

With respect to each underlying stock, the closing price of such underlying stock on any determination date other than the final determination date *times* the adjustment factor for such underlying stock on such determination date

Monthly coupon:

Unless the securities have been previously redeemed, a monthly coupon at an annual rate of 6.504% (corresponding to approximately \$5.42 per month per security) is paid on each coupon payment date.

Coupon payment dates:

August 20, 2018, September 20, 2018, October 20, 2018, November 20, 2018, December 20, 2018, January 20, 2019, February 20, 2019, March 20, 2019, April 20, 2019, May 20, 2019, June 20, 2019, July 20, 2019, August 20, 2019, September 20, 2019, October 20, 2019, November 20, 2019, December 20, 2019 and the maturity date; *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.

Payment at maturity:

· If the final share price (i) the stated principal of **each underlying stock is greater than or equal to** its respective downside amount *plus* (ii) the monthly coupon for the final monthly interest period

threshold level:

(i) the monthly coupon for the final monthly interest period *plus* (ii) the *product of* (a) the stated principal amount

· If the final share price of **any underlying stock** is **less than** its respective downside threshold level: and (b) the share performance factor of the worst performing underlying stock.

*Under these circumstances, investors will lose a significant portion, and may lose all, of their principal.*

Share performance factor:

With respect to each underlying stock, the final share price *divided by* the initial share price

Adjustment factor:

With respect to each underlying stock, 1.0, subject to adjustment in the event of certain corporate events affecting such underlying stock

***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:

\$968.40 per security. See “Investment Summary” on page 3.

Commissions and issue price:

	Price to public	Agent’s commissions <sup>(1)</sup>	Proceeds to us <sup>(2)</sup>
Per security	\$1,000	\$20	\$980
Total	\$3,593,000	\$71,860	\$3,521,140

*Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$20 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 26.*

**The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 8.**

**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 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 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](#)**

**[Prospectus dated November](#)**

**[16, 2017](#)**

Morgan Stanley Finance LLC

Worst of Fixed Coupon Auto-Callable RevCons<sup>SM</sup> due January 21, 2020

Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc., and the Common Stock of NVIDIA Corporation

Principal at Risk Securities

*Terms  
continued  
from previous  
page:*

**RDSA Stock**

**Determination dates: Applicable redemption threshold level**

January 14, 2019	€28.472, which is approximately 95% of its initial share price
February 13, 2019	€28.472, which is approximately 95% of its initial share price
March 13, 2019	€28.472, which is approximately 95% of its initial share price
April 15, 2019	€26.973, which is 90% of its initial share price
May 13, 2019	€26.973, which is 90% of its initial share price
June 13, 2019	€26.973, which is 90% of its initial share price
July 15, 2019	€26.973, which is 90% of its initial share price
August 13, 2019	€26.973, which is 90% of its initial share price
September 13, 2019	€26.973, which is 90% of its initial share price
October 14, 2019	€25.475, which is approximately 85% of its initial share price
November 13, 2019	€25.475, which is approximately 85% of its initial share price
December 13, 2019	€25.475, which is approximately 85% of its initial share price

**Determination dates and GIS Stock**

**redemption threshold levels: Determination dates: Applicable redemption threshold level**

January 14, 2019	\$236.854, which is 95% of its initial share price
February 13, 2019	\$236.854, which is 95% of its initial share price
March 13, 2019	\$236.854, which is 95% of its initial share price
April 15, 2019	\$224.388, which is 90% of its initial share price
May 13, 2019	\$224.388, which is 90% of its initial share price
June 13, 2019	\$224.388, which is 90% of its initial share price
July 15, 2019	\$224.388, which is 90% of its initial share price
August 13, 2019	\$224.388, which is 90% of its initial share price
September 13, 2019	\$224.388, which is 90% of its initial share price
October 14, 2019	\$211.922, which is 85% of its initial share price
November 13, 2019	\$211.922, which is 85% of its initial share price
December 13, 2019	\$211.922, which is 85% of its initial share price

**NVDA Stock**

**Determination dates: Applicable redemption threshold level**

January 14, 2019	\$236.854, which is 95% of its initial share price
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February 13, 2019	\$236.854, which is 95% of its initial share price
March 13, 2019	\$236.854, which is 95% of its initial share price
April 15, 2019	\$224.388, which is 90% of its initial share price
May 13, 2019	\$224.388, which is 90% of its initial share price
June 13, 2019	\$224.388, which is 90% of its initial share price
July 15, 2019	\$224.388, which is 90% of its initial share price
August 13, 2019	\$224.388, which is 90% of its initial share price
September 13, 2019	\$224.388, which is 90% of its initial share price
October 14, 2019	\$211.922, which is 85% of its initial share price
November 13, 2019	\$211.922, which is 85% of its initial share price
December 13, 2019	\$211.922, which is 85% of its initial share price

\*The determination dates are subject to postponement for non-trading days and certain market disruption events.

Final determination date:	January 13, 2020, subject to postponement for non-trading days and certain market disruption events. With respect to the RDSA Stock, €14.985, which is equal to 50% of its initial share price
Downside threshold level:	With respect to the GIS Stock, \$22.455, which is equal to 50% of its initial share price  With respect to the NVDA Stock, \$124.66, which is equal to 50% of its initial share price With respect to the RDSA Stock, €29.97, which is its closing price on the pricing date
Initial share price:	With respect to the GIS Stock, \$44.91, which is its closing price on the pricing date  With respect to the NVDA Stock, \$249.32, which is its closing price on the pricing date
Final share price:	With respect to each underlying stock, the closing price of such underlying stock on the final determination date <i>times</i> the adjustment factor for such underlying stock on such date
Worst performing underlying stock:	The underlying stock with the largest percentage decrease from the respective initial share price to the respective final share price
CUSIP / ISIN:	61768C7K7 / US61768C7K79
Listing:	The securities will not be listed on any securities exchange.

Morgan Stanley Finance LLC

Worst of Fixed Coupon Auto-Callable RevCons<sup>SM</sup> due January 21, 2020

Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc., and the Common Stock of NVIDIA Corporation

Principal at Risk Securities

Investment Summary

### **Worst of Fixed Coupon Auto-Callable RevCons**

#### **Principal at Risk Securities**

The Worst of Fixed Coupon Auto-Callable RevCons<sup>SM</sup> due January 21, 2020 Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc., and the Common Stock of NVIDIA Corporation, which we refer to as the securities, provide an opportunity for investors to earn a fixed monthly coupon at an annual rate of 6.504%. In addition, if the determination closing price of **each of** the class A ordinary shares of Royal Dutch Shell plc, the common stock of General Mills, Inc. and the common stock of NVIDIA Corporation is greater than or equal to its respective then-applicable redemption threshold level on any monthly determination date (beginning after six months), the securities will be automatically redeemed for an amount per security equal to the stated principal amount and the related monthly coupon. However, if the securities are not automatically redeemed prior to maturity, the payment at maturity due on the securities will be, in addition to the final monthly coupon, either (i) if the final share price of **each underlying stock is greater than or equal to** its respective downside threshold level, the stated principal amount, or (ii) if the final share price of **any underlying stock is less than** its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying stock on a 1-to-1 basis and will receive a payment at maturity that reflects the full depreciation in the price of the worst performing underlying stock and that is significantly less than the stated principal amount of the securities and could be zero. **Accordingly, investors could lose their entire initial investment in the securities.** In addition, investors will not participate in the appreciation of any of the underlying stocks.

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 is less than \$1,000. We estimate that the value of each security on the pricing date is \$968.40.

*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 stocks. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying stocks, instruments based on the underlying stocks, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

*What determines the economic terms of the securities?*

In determining the economic terms of the securities, including the monthly coupon rate, the redemption 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 stocks, 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 stocks, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

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

Morgan Stanley Finance LLC

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Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc., and the Common Stock of NVIDIA Corporation

Principal at Risk Securities

### Key Investment Rationale

The securities offer investors an opportunity to earn a fixed monthly coupon at an annual rate of 6.504%. The securities may be redeemed prior to maturity for the stated principal amount per security *plus* the applicable monthly coupon, and the payment at maturity will vary depending on the final share price of each underlying stock, as follows:

On any determination date (beginning after six months) other than the final determination date, the determination closing price of *each underlying stock* is *greater than or equal to* its respective then-applicable redemption threshold level.

Scenario 1 § The securities will be automatically redeemed for (i) the stated principal amount *plus* (ii) the monthly coupon for the related monthly interest period. No further payments will be made on the securities once they have been redeemed.

§ Investors will not participate in any appreciation of any underlying stock.

The securities are not automatically redeemed prior to maturity, and the final share price of *each underlying stock* is *greater than or equal to* its respective downside threshold level.

Scenario 2 § The payment due at maturity will be (i) the stated principal amount *plus* (ii) the monthly coupon for the final monthly interest period.

§ Investors will not participate in any appreciation of any underlying stock.

Scenario 3 The securities are not automatically redeemed prior to maturity, and the final share price of *any underlying stock* is *less than* its respective downside threshold level.

§ The payment due at maturity will be (i) the monthly coupon for the final monthly interest period plus (ii) *the product of* (a) the stated principal amount and (b) the share performance factor of the worst performing underlying stock.

§ **Investors will lose a significant portion, and may lose all, of their principal in this scenario.**

Morgan Stanley Finance LLC

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Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to determine whether the securities are redeemed early and the payment at maturity. The following examples are for illustrative purposes only. Whether the securities are redeemed early will be determined by reference to the determination closing price of each underlying stock on each monthly determination date (beginning after six months) other than the final determination date, and the payment at maturity will be determined by reference to the final share price of each underlying stock on the final determination date. The actual initial share price, applicable redemption threshold levels and downside threshold level for each underlying stock are set forth on the cover of this document. All payments on the securities are subject to our credit risk. The below examples are based on the following terms:

- Monthly coupon: 6.504% per annum (corresponding to approximately \$5.42 per month per security)<sup>1</sup>
  - If the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level: (i) the stated principal amount *plus* (ii) the monthly coupon for the final monthly interest period.
- Payment at Maturity:
  - If the final share price of **any underlying stock** is **less than** its respective downside threshold level: (i) the monthly coupon for the final monthly interest period *plus* (ii) the product of (a) the stated principal amount and (b) the share performance factor of the worst performing underlying stock. **Under these circumstances, the payment at maturity will be significantly less than the stated principal amount of the securities and could be zero**
- Stated Principal Amount: \$1,000 per security
  - With respect to the RDSA Stock: €30.00
- Hypothetical Initial Share Price:
  - With respect to the GIS Stock: \$45.00
  - With respect to the NVDA Stock: \$250.00

Hypothetical Redemption Threshold Levels: **RDSA Stock**

- Determination Date 1 €28.50, which is 95% of its initial share price
- Determination Date 2 €28.50, which is 95% of its initial share price
- Determination Date 3 €28.50, which is 95% of its initial share price
- Determination Date 4 €27.00, which is 90% of its initial share price
- Determination Date 5 €27.00, which is 90% of its initial share price

Determination Date 6 €27.00, which is 90% of its initial share price  
Determination Date 7 €27.00, which is 90% of its initial share price  
Determination Date 8 €27.00, which is 90% of its initial share price  
Determination Date 9 €27.00, which is 90% of its initial share price  
Determination Date 10 €25.50, which is 85% of its initial share price  
Determination Date 11 €25.50, which is 85% of its initial share price  
Determination Date 12 €25.50, which is 85% of its initial share price

**GIS Stock**

Determination Date 1 \$42.75, which is 95% of its initial share price  
Determination Date 2 \$42.75, which is 95% of its initial share price  
Determination Date 3 \$42.75, which is 95% of its initial share price  
Determination Date 4 \$40.50, which is 90% of its initial share price  
Determination Date 5 \$40.50, which is 90% of its initial share price  
Determination Date 6 \$40.50, which is 90% of its initial share price  
Determination Date 7 \$40.50, which is 90% of its initial share price  
Determination Date 8 \$40.50, which is 90% of its initial share price  
Determination Date 9 \$40.50, which is 90% of its initial share price  
Determination Date 10 \$38.25, which is 85% of its initial share price  
Determination Date 11 \$38.25, which is 85% of its initial share price  
Determination Date 12 \$38.25, which is 85% of its initial share price

**NVDA Stock**

Determination Date 1 \$237.50, which is 95% of its initial share price  
Determination Date 2 \$237.50, which is 95% of its initial share price  
Determination Date 3 \$237.50, which is 95% of its initial share price  
Determination Date 4 \$225.00, which is 90% of its initial share price  
Determination Date 5 \$225.00, which is 90% of its initial share price  
Determination Date 6 \$225.00, which is 90% of its initial share price  
Determination Date 7 \$225.00, which is 90% of its initial share price  
Determination Date 8 \$225.00, which is 90% of its initial share price  
Determination Date 9 \$225.00, which is 90% of its initial share price  
Determination Date 10 \$212.50, which is 85% of its initial share price  
Determination Date 11 \$212.50, which is 85% of its initial share price  
Determination Date 12 \$212.50, which is 85% of its initial share price

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Principal at Risk Securities

With respect to the RDSA Stock: €15.00, which is 50% of its hypothetical initial share price

Hypothetical Downside Threshold Level: With respect to the GIS Stock: \$22.50, which is 50% of its hypothetical initial share price

With respect to the NVDA Stock: \$125.00, which is 50% of its hypothetical initial share price

Hypothetical Adjustment Factor: With respect to each underlying stock, 1.0

<sup>1</sup> The actual monthly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 day count basis. The monthly coupon of \$5.42 is used in these examples for ease of analysis.

How to determine whether the securities are redeemed early:

	Determination Closing Price			Early Redemption Amount*
	RDSA Stock	GIS Stock	NVDA Stock	
Hypothetical Determination Date 1	€29 ( <b>at or above</b> its then-applicable redemption threshold level)	\$45 ( <b>at or above</b> its then-applicable redemption threshold level)	\$230 ( <b>below</b> its then-applicable redemption threshold level)	N/A
Hypothetical Determination Date 2	€28.75 ( <b>at or above</b> its then-applicable redemption threshold level)	\$43 ( <b>at or above</b> its then-applicable redemption threshold level)	\$238 ( <b>at or above</b> its then-applicable redemption threshold level)	\$1,005.42 (the stated principal amount <i>plus</i> the monthly coupon for the related monthly interest period)

\* The Early Redemption Amount includes the unpaid monthly coupon for the related monthly interest period.

If, on any determination date (beginning after six months) other than the final determination date, the determination closing price of **each underlying stock** is **greater than or equal to** its respective then-applicable redemption threshold level, the securities will be automatically redeemed for an early redemption payment on the related early redemption date.

On hypothetical determination date 1, two underlying stocks close at or above their respective then-applicable redemption threshold levels but the other underlying stock closes below its respective then-applicable redemption threshold level. Therefore, the securities are not redeemed early on such determination date.

On hypothetical determination date 2, each underlying stock closes at or above its respective then-applicable redemption threshold level. Accordingly, the securities are automatically redeemed following such determination date. You receive the early redemption payment, calculated as follows:

stated principal amount + monthly coupon = \$1,000 + \$5.42 = \$1,005.42

No further payments will be made on the securities once they have been redeemed. Additionally, investors will not participate in any appreciation of the underlying stock.

**The securities will not be redeemed early if the determination closing price of any underlying stock is less than the then-applicable redemption threshold level for such underlying stock on the related determination date.**

How to determine the payment at maturity:

In the following examples, the determination closing price of one or more underlying stocks is less than its respective then-applicable redemption threshold level on each determination date prior to the final determination date, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

	Final Share Price			Payment at Maturity
	RDSA Stock	GIS Stock	NVDA Stock	(in addition to the monthly coupon of \$5.42 with respect to the final monthly interest period)
Example 1:	€50 ( <b>at or above</b> its downside threshold level)	\$75 ( <b>at or above</b> its downside threshold level)	\$300 ( <b>at or above</b> its downside threshold level)	\$1,000 (the stated principal amount)
Example 2:	€12 ( <b>below</b> its downside threshold level)	\$40 ( <b>at or above</b> its downside threshold level)	\$165 ( <b>at or above</b> its downside threshold level)	\$1,000 x share performance factor of the worst performing underlying stock= \$1,000 x (€12 / €30) = \$400





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Principal at Risk Securities

Example 3:	€17 ( <b>at or above</b> its downside threshold level)	\$13.50 ( <b>below</b> its downside threshold level)	\$50 ( <b>below</b> its downside threshold level)	\$1,000 x share performance factor of the worst performing underlying stock=  \$1,000 x (\$50 / \$250) = \$200
Example 4:	€13.50 ( <b>below</b> its downside threshold level)	\$13.50 ( <b>below</b> its downside threshold level)	\$200 ( <b>at or above</b> its downside threshold level)	\$1,000 x share performance factor of the worst performing underlying stock=  \$1,000 x (\$13.50 / \$45) = \$300
Example 5:	€6 ( <b>below</b> its downside threshold level)	\$13.50 ( <b>below</b> its downside threshold level)	\$75 ( <b>below</b> its downside threshold level)	\$1,000 x share performance factor of the worst performing underlying stock=  \$1,000 x (€6 / €30) = \$200

In example 1, the final share prices of the RDSA Stock, the GIS Stock and the NVDA Stock are all at or above their respective downside threshold levels. Therefore, investors receive the stated principal amount of the securities at maturity. Investors do not participate in the appreciation of any underlying stock.

In example 2, the final share prices of the GIS Stock and the NVDA Stock are above their respective downside threshold levels, but the final share price of the RDSA Stock is below its downside threshold level. Therefore, even though the GIS Stock and the NVDA Stock have appreciated in their values, investors are exposed to the downside performance of the RDSA Stock, which is the worst performing underlying stock in this example, and receive a payment at maturity that is significantly less than the stated principal amount.

In examples 3 and 4, the final share price of one underlying stock is at or above its downside threshold level, but the final share prices of the other underlying stocks are below their respective downside threshold levels. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity.

In example 3, the GIS Stock has declined 70% from its initial share price to its final share price, while the NVDA Stock has declined 80% from its initial share price to its final share price. Therefore, investors are exposed to the downside performance of the NVDA Stock, which is the worst performing underlying stock in this example, and receive a payment at maturity that is significantly less than the stated principal amount.

In example 4, the RDSA Stock has declined 55% from its initial share price to its final share price, while the GIS Stock has declined 70% from its initial share price to its final share price. Therefore, investors are exposed to the downside performance of the GIS Stock, which is the worst performing underlying stock in this example, and receive a payment at maturity that is significantly less than the stated principal amount.

In example 5, the final share prices of the RDSA Stock, the GIS Stock and the NVDA Stock are all below their respective downside threshold levels. In this example, the GIS Stock has declined 70% from its initial share price to its final share price and the NVDA Stock has declined 70% from its initial share price to its final share price, while the RDSA Stock has declined 80% from its initial share price. Therefore, investors are exposed to the downside performance of the RDSA Stock, which is the worst performing underlying stock in this example, and receive a payment at maturity that is significantly less than the stated principal amount.

**If the final share price of any underlying stock is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying stock at maturity. Under these circumstances, the payment at maturity will be significantly less than the principal amount of the securities and that could be zero.**

Morgan Stanley Finance LLC

Worst of Fixed Coupon Auto-Callable RevCons<sup>SM</sup> due January 21, 2020

Payments on the RevCons Based on the Worst Performing of the Class A Ordinary Shares of Royal Dutch Shell plc, the Common Stock of General Mills, Inc., and the Common Stock of NVIDIA Corporation

Principal at Risk Securities

Risk Factors

*The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying product supplement and prospectus. You should also consult 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 the securities do not guarantee the return of any of the principal amount at maturity. Instead, if the securities have not been automatically redeemed prior to maturity and if the final share price of **any underlying stock** is **less than** its respective downside threshold level, you will be exposed to the decline in the closing price of the worst performing underlying stock, as compared to the initial share price, on a 1-to-1 basis and you will receive a payment at maturity that is less than 50% of the stated principal amount and could be zero.

**You are exposed to the price risk of each underlying stock.** Your return on the securities is not linked to a basket consisting of the three underlying stocks. Rather, it will be contingent upon the independent performance of each underlying stock. 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 stock. Poor performance by **any underlying stock** 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 stocks. If the securities are not automatically redeemed prior to maturity and **any underlying stock** 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 stock over the term of the securities on a 1-to-1 basis, even if the other underlying stocks have appreciated or have not declined as much. Under this scenario, the value of the payment at maturity will be less than 50% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of each underlying stock.

**Investors will not participate in any appreciation in the price of any underlying stock.** Investors will not participate in any appreciation in the price of any underlying stock from its respective initial share price, and the return on the securities will be limited to the monthly coupon that is paid for each monthly interest period.

**§ The automatic early redemption feature may limit the term of your investment to approximately six months.** If the securities are redeemed early, you may not be able to reinvest at comparable terms or returns. The term of your

investment in the securities may be limited to as short as approximately six months by the automatic early redemption feature of the securities. The securities will be redeemed when the determination closing price of **each** underlying stock is **greater than equal to its respective then-applicable redemption threshold level** on any monthly determination date (beginning after six months). If the securities are redeemed prior to maturity, you will receive no more monthly coupons and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

**The market price will be influenced by many unpredictable factors.** Several factors 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. Although we expect that generally the closing prices of the underlying stocks on any day, including in relation to the respective downside threshold levels, will affect the value of the securities more than any other single factor, other factors that may influence the value of the securities include:

- o the trading price and volatility (frequency and magnitude of changes in value) of the underlying stocks,
  - o dividend rates on the underlying stocks,
  - o interest and yield rates in the market,
  - o time remaining until the securities mature,

o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying stocks and which may affect the final share prices of the underlying stocks,

o the occurrence of certain events affecting the underlying stock that may or may not require an adjustment to the adjustment factor, and

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Principal at Risk Securities

- o any actual or anticipated changes in our credit ratings or credit spreads.