MORGAN STANLEY
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Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due May 5, 2022

All Payments on the Securities Based on the Worst Performing of the Common Stock of UnitedHealth Group Incorporated and the Common Stock of Humana Inc.

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 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 determination closing price of **each of the common stock of UnitedHealth Group Incorporated and the common stock of Humana Inc.**, which we refer to collectively as the underlying stocks, is **at or above** 70% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If, however, the determination closing price of **either underlying stock** is less than its respective downside 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 determination closing price of **each underlying stock** is **greater than or equal to** 95% of its respective initial share price, which we refer to as the respective call threshold 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. At maturity, if the securities have not previously been redeemed and the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the payment at maturity will also be the sum of the stated principal amount and the related contingent quarterly coupon. However, if the final share price of **either 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 is less than 70% 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 3-year term of the securities.** The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly interest over the entire 3-year term and in exchange for the possibility of an automatic early redemption prior to maturity. Because the payment of contingent quarterly coupons is based on the worst performing of the underlying stocks, the fact that the securities are linked to two underlying stocks does not provide any asset diversification benefits and instead means that a decline of **either** underlying stock below the relevant downside threshold level will result in no contingent quarterly coupons, even if the other underlying stock closes at or above its downside threshold level. Because all payments on the securities are based on the worst performing of the underlying stocks, a decline beyond the respective downside threshold level of either underlying stock will result in no contingent quarterly coupon payments and a significant loss of your investment, even if the other underlying stock has appreciated or has not declined as much. Investors will not participate in any appreciation of either underlying stock. 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 stocks:	UnitedHealth Group Incorporated common stock (the "UNH Stock") and Humana Inc. common stock (the "HUM Stock")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Pricing date:	April 30, 2019
Original issue date:	May 3, 2019 (3 business days after the pricing date)
Maturity date:	May 5, 2022
Early redemption:	If, on any redemption determination date, beginning on July 30, 2019, the determination closing price of **each underlying stock** is greater than or equal to its respective call threshold 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 determination closing price of either underlying stock is below its respective call threshold level on the related redemption determination date.**
Early redemption payment:	The early redemption payment will be an amount equal to (i) the stated principal amount for each security you hold *plus* (ii) the contingent quarterly coupon with respect to the related observation date.
Determination closing price:	With respect to each underlying stock, the closing price of such underlying stock on any redemption determination date or observation date (other than the final observation date), *times* the adjustment factor on such determination date or observation date, as applicable

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-trading days and certain market disruption events
Early redemption dates:	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
Contingent quarterly coupon:	A *contingent* quarterly coupon at an annual rate of at least 9.00% (corresponding to at least approximately $22.50 per quarter per security, to be determined on the pricing date) will be paid on the securities on each coupon payment date ***but only if*** the determination closing price of **each underlying stock** is at or above its respective downside threshold level on the related observation date. **If, on any observation date, the determination closing price of either underlying stock is less than its respective downside threshold level, no contingent quarterly coupon will be paid with respect to that observation date. It is possible that one or both underlying stocks will remain below their respective downside threshold level(s) for extended periods of time or even throughout the entire 3-year term of the securities so that you will receive few or no contingent quarterly coupons.**
Downside threshold level:	With respect to the UNH Stock, $, which is equal to 70% of its initial share price With respect to the HUM Stock, $, which is equal to 70% of its initial share price
Call threshold level:	With respect to the UNH Stock, $, which is equal to 95% of its initial share price With respect to the HUM Stock, $, which is equal to 95% of its initial share price
Payment at maturity:	If the securities are not redeemed prior to maturity, investors will receive a payment at maturity determined as follows: · 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 contingent quarterly coupon with respect to the final observation date

	· If the final share price of **either underlying stock** is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) 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 $1,000, and will represent a loss of more than 30%, 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 $954.30 per security, or within $22.50 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, Morgan Stanley & Co. LLC, 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 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 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 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 **Prospectus dated November 16, 2017**

Morgan Stanley Finance LLC

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Principal at Risk Securities

Terms continued from previous page:

Initial share price:	With respect to the UNH Stock, $, which is its closing price on the pricing date With respect to the HUM Stock, $, which is its closing price on the pricing date
Coupon payment dates:	Quarterly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below. 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; *provided further* that the contingent quarterly coupon, if any, with respect to the final observation date shall 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, independently in the case of each underlying stock, to postponement for non-trading days and certain market disruption events. We also refer to May 2, 2022 as the final observation date.
Final share price:	With respect to each underlying stock, the closing price of such underlying stock on the final observation date *times* the adjustment factor on such date
Adjustment factor:	With respect to each underlying stock, 1.0, subject to adjustment in the event of certain corporate events affecting such underlying stock
Worst performing underlying stock:	The underlying stock with the larger percentage decrease from the respective initial share price to the respective final share price
Share performance factor:	Final share price *divided by* the initial share price
CUSIP / ISIN:	61768D7F6 / US61768D7F66
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
July 30, 2019	August 2, 2019
October 30, 2019	November 4, 2019
January 30, 2020	February 4, 2020
April 30, 2020	May 5, 2020
July 30, 2020	August 4, 2020

October 30, 2020	November 4, 2020
January 29, 2021	February 3, 2021
April 30, 2021	May 5, 2021
July 30, 2021	August 4, 2021
October 29, 2021	November 3, 2021
January 31, 2022	February 3, 2022
May 2, 2022 (final observation date)	May 5, 2022 (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 May 5, 2022 All Payments on the Securities Based on the Worst Performing of the Common Stock of UnitedHealth Group Incorporated and the Common Stock of Humana Inc. (the "securities") do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon at an annual rate of at least 9.00% (to be determined on the pricing date) **but only if** the determination closing price of **each underlying stock** is **at or above** 70% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of **either underlying stock** is less than its downside threshold level on any observation date, we will pay no coupon for the related quarterly period. It is possible that the determination closing price of **one or both underlying stocks will remain below their respective downside threshold levels** for extended periods of time or even throughout the entire 3-year term of the securities so that you will receive few or no contingent quarterly coupons during the entire 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 both underlying stocks were to be at or above their respective downside threshold levels on some quarterly observation dates, one or both underlying stocks may fluctuate below the respective downside threshold level(s) on others. In addition, if the securities have not been automatically called prior to maturity and the final share price of **either 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 is less than 70% 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 payments throughout the entire 3-year term of the securities.**

Maturity:	Approximately 3 years
Contingent quarterly coupon:	A *contingent* quarterly coupon at an annual rate of at least 9.00% (corresponding to at least approximately $22.50 per quarter per security, to be determined on the pricing date) will be paid on the securities on each coupon payment date **but only if** the determination closing price of **each underlying stock** is at or above its respective downside threshold level on the related observation date.

	If on any observation date, the determination closing price of either underlying stock is less than its respective downside threshold level, we will pay no coupon for the applicable quarterly period.
Automatic early redemption quarterly on or after July 30, 2019:	Starting on July 30, 2019, if the determination closing price of **each underlying stock** is greater than or equal to their respective call threshold level on any quarterly redemption determination date, beginning on July 30, 2019, 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. If the securities have not previously been redeemed and the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the payment at maturity will be the sum of the stated principal amount and the related contingent quarterly coupon.
Payment at maturity:	If the final share price of **either underlying stock** is less than its downside threshold level, investors will receive a payment at maturity based on the decline in the worst performing underlying stock over the term of the securities. Under these circumstances, the payment at maturity will be less than 70% 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.**

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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 $954.30, or within $22.50 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 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 contingent quarterly coupon rate 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 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.

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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 determination closing price of **each underlying stock** is **at or above** its respective downside threshold level on the related observation date. The securities have been designed for investors who are willing to forgo market floating interest rates and risk the loss of principal and accept the risk of receiving few or no coupon payments for the entire 3-year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if both underlying stocks close at or above their respective downside threshold levels on each quarterly observation date, unless the securities are redeemed early. The following scenarios are for illustration 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 coupon may be payable in none of, or some but not all of, the quarterly periods during the 3-year term of the securities, and the payment at maturity may be less than 70% 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, both underlying stocks close at or above their respective downside threshold levels on some quarterly observation dates, but one or both underlying stocks close below the respective downside threshold level(s) on the others. Investors receive the contingent quarterly coupon for the quarterly periods for which the determination closing prices of both underlying stocks are at or above their respective downside threshold levels on the related observation date, but not for the quarterly periods for which the determination closing price(s) of one or both underlying stocks are below the respective downside threshold level(s) on the related observation date. When both underlying stocks close at or above their respective call threshold levels 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 maturity, and investors receive	This scenario assumes that both underlying stocks close at or above their respective downside threshold levels on some quarterly observation dates, but one of both underlying stocks close below the respective downside threshold level(s) on the others, and at least one of the underlying stocks closes below its call threshold level on every quarterly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent

principal back at maturity	quarterly coupon for the quarterly periods for which the determination closing prices of both underlying stocks are at or above their respective downside threshold levels on the related observation date, but not for the quarterly periods for which the determination closing price(s) of one or both underlying stocks are below the respective downside threshold level(s) on the related observation date. On the final observation date, both underlying stocks close at or above their respective downside threshold levels. At maturity, in addition to the contingent quarterly coupon with respect to the final observation date, investors will receive the stated principal amount.

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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 both underlying stocks close at or above their respective downside threshold levels on some quarterly observation dates, but one or both underlying stocks close below the respective downside threshold level(s) on the others, and at least one of the underlying stocks closes below its call threshold level on every quarterly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent quarterly coupon for the quarterly periods for which the determination closing prices of both underlying stocks are greater than or equal to their respective downside threshold levels on the related observation date, but not for the quarterly periods for which the determination closing price(s) of one or both underlying stocks are below the respective downside threshold level(s) on the related observation date. On the final observation date, one or both underlying stocks close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the share performance factor of the worst performing underlying stock. Under these circumstances, the payment at maturity will be less than 70% 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 determination closing prices on each quarterly observation date, (2) the determination closing prices on each quarterly redemption determination date and (3) the final share prices. Please see "Hypothetical Examples" below for an 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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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" below.

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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, assuming the securities are not redeemed prior to maturity. The following examples are for illustrative purposes only. Whether you receive a contingent quarterly coupon will be determined by reference to the determination closing price of each underlying stock on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final share price of each underlying stock on the final observation date. The actual initial share price, call threshold level and downside threshold level for each underlying stock will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The below examples are based on the following terms:

Hypothetical Contingent Quarterly Coupon:	9.00% per annum (corresponding to approximately $22.50 per quarter per security)[1] **With respect to each coupon payment date, a contingent quarterly coupon is paid but only if the determination closing price of each underlying stock is at or above its respective downside threshold level on the related observation date.**
Payment at Maturity (if the securities are not redeemed prior to maturity):	If the final share price of **each** underlying stock is **greater than or equal to** its respective downside threshold level: the stated principal amount and the contingent quarterly coupon with respect to the final observation date If the final share price of **either** underlying stock is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the share performance factor of the worst performing underlying stock
Stated Principal Amount:	$1,000
Hypothetical Initial Share Price:	With respect to the UNH Stock: $230.00 With respect to the HUM Stock: $250.00
Hypothetical Call Threshold Level:	With respect to the UNH Stock: $218.50, which is 95% of its hypothetical initial share price With respect to the HUM Stock: $237.50, which is 95% of its hypothetical initial share price
Hypothetical Downside Threshold Level:	With respect to the UNH Stock: $161.00, which is 70% of its hypothetical initial share price

With respect to the HUM Stock: $175.00, which is 70% of its hypothetical initial share price

[1] 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 day count basis. The hypothetical contingent quarterly coupon of $22.50 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:

	Determination Closing Price		Hypothetical Contingent Quarterly Coupon
	UNH Stock	HUM Stock	
Hypothetical Observation Date 1	$205.00 (**at or above** its downside threshold level)	$220.00 (**at or above** its downside threshold level)	$22.50
Hypothetical Observation Date 2	$150.00 (**below** its downside threshold level)	$215.00 (**at or above** its downside threshold level)	$0
Hypothetical Observation Date 3	$200.00 (**at or above** its downside threshold level)	$160.00 (**below** its downside threshold level)	$0
Hypothetical Observation Date 4	$140.00 (**below** its downside threshold level)	$155.00 (**below** its downside threshold level)	$0

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On hypothetical observation date 1, both the UNH Stock and HUM Stock close at or above their respective downside threshold levels. Therefore, a hypothetical contingent quarterly coupon of $22.50 is paid on the relevant coupon payment date.

On each of hypothetical observation dates 2 and 3, one underlying stock closes at or above its downside threshold level but the other underlying stock closes below its downside threshold level. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

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

You will not receive a contingent quarterly coupon on any coupon payment date if the determination closing price of either underlying stock is below its respective downside threshold level on the related observation date.

How to calculate the payment at maturity:

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In the following examples, one or both underlying stocks close below the respective call threshold level(s) on each redemption determination date, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

	Final Share Price		Payment at Maturity
	UNH Stock	HUM Stock	
Example 1:	$250.00 (**at or above** its downside threshold level)	$275.00 (**at or above** its downside threshold level)	$1,022.50 (the stated principal amount *plus* the contingent quarterly coupon with respect to the final observation date)
Example 2:	$103.50 (**below** its downside threshold level)	$275.00 (**at or above** its initial share price)	$1,000 x share performance factor of the worst performing underlying stock = $1,000 x ($103.50 / $230.00) = $450.00

Example 3:	$185.00 (**at or above** its downside threshold level)	$100.00 (**below** its downside threshold level)	$1,000 x ($100.00 / $250.00) = $400.00
Example 4:	$92.00 (**below** its downside threshold level)	$87.50 (**below** its downside threshold level)	$1,000 x ($87.50 / $250.00) = $350.00
Example 5:	$69.00 (**below** its downside threshold level)	$87.50 (**below** its downside threshold level)	$1,000 x ($69.00 / $230.00 = $300.00

In example 1, the final share prices of both the UNH Stock and HUM Stock are at or above their respective downside threshold levels. Therefore, investors receive at maturity the stated principal amount of the securities and the hypothetical contingent quarterly coupon with respect to the final observation date. However, investors do not participate in any appreciation of either underlying stock.

In example 2, the final share price of one underlying stock is above its initial share price, but the final share price of the other underlying stock is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity and receive an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock.

In example 3, the final share price of one underlying stock is at or above its downside threshold level, but the final share price of the other underlying stock is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity and receive at maturity an amount equal to the stated principal amount times the share performance factor of the worst performing underlying stock.

In examples 4 and 5, the final share prices of both underlying stocks are below their respective downside threshold levels, and investors receive at maturity an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock. In example 4, the UNH Stock has declined 60% from its initial share price to its final share price,

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while the HUM Stock has declined 65% from its initial share price to its final share price. Therefore, the payment at maturity equals the stated principal amount *times* the share performance factor of the HUM Stock, which is the worst performing underlying stock in this example. In example 5, the UNH Stock has declined 70% from its initial share price to its final share price, while the HUM Stock has declined 65% from its initial share price. Therefore the payment at maturity equals the stated principal amount *times* the share performance factor of the UNH Stock, which is the worst performing underlying stock in this example.

If the final share price of EITHER 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, and your payment at maturity will be less than 70% of the stated principal amount per security and could be zero.

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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 and prospectus. You should also 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 return of any of the principal amount at maturity. If the securities have not been automatically redeemed prior to maturity and if the final share price of either underlying stock is less than its downside threshold level of 70% of its initial share price, 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 for each security that you hold at maturity an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock. In this case, the payment at maturity will be less than 70% of the stated principal amount and could be zero. **You could lose up to your entire investment in the securities.**

§ **The securities do not provide for the regular payment of interest and may pay no interest over the entire term of the securities.** 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 determination closing price of each underlying stock is **at or above** 70% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If, on the other hand, the determination closing price of **either** underlying stock is lower than its downside 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 determination closing price of either underlying stock could remain below the respective downside threshold level for extended periods of time or even throughout the entire 3-year term of the securities so that you will receive few or no contingent quarterly coupons. If you do not earn sufficient contingent 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 both underlying stocks, 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 both 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 both underlying stocks. Poor performance by **either** 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 stock. To receive **any** contingent quarterly coupons, **both** underlying stocks must close at or above their respective downside threshold levels on the applicable observation date. In addition, if **either** underlying stock 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 stock over the term of the securities on a 1-to-1 basis, even if the other underlying stock has appreciated. Under this scenario, the payment at maturity will be less than 70% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of both underlying stocks.

§ **The contingent coupon, if any, is based only on the determination closing prices of the underlying stocks on the related quarterly observation date at the end of the related interest period**. Whether the contingent coupon will be paid on any coupon payment date will be determined at the end of the relevant interest period based on the determination closing price of each underlying stock on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent coupon is based solely on the price of each underlying stock on quarterly observation dates, if the determination closing price of either underlying stock on any observation date is below the respective downside threshold level, you will receive no coupon for the related interest period, even if the price(s) of one or both underlying stocks were higher on other days during that interest period.

Morgan Stanley Finance LLC

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§ **Investors will not participate in any appreciation in the price of either underlying stock.** Investors will not participate in any appreciation in the price of either underlying stock from its initial share price, and the return on the securities will be limited to the contingent quarterly coupon, if any, that is paid with respect to each observation date on which both determination closing prices are greater than or equal to their respective downside threshold levels, 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 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 factors. 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 whether the determination closing price of either underlying stock has been below its respective downside threshold level on any observation date,

o dividend rates on the underlying stocks,

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

o the time remaining until the securities mature,

o interest and yield rates in the market,

o the availability of comparable instruments,

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

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

Some or all of these factors will influence the price that you will receive if you sell your securities prior to maturity. For example, you may have to sell your securities at a substantial discount from the stated principal amount of $1,000 per security if the price of either underlying stock at the time of sale is near or below its downside threshold level or if market interest rates rise.

The price of either or both underlying stocks may be, and have recently been, volatile, and we can give you no assurance that the volatility will lessen. The prices of either or both the underlying stocks may decrease and be below the respective downside threshold level(s) on each observation date so that you will receive no return on your investment or receive a payment at maturity that is less than 70% of the stated principal amount. There can be no assurance that the determination closing prices of both underlying stocks will be at or above their respective downside threshold levels on any observation date so that you will receive a coupon payment on the securities for the applicable interest period or, with respect to the final observation date, so that you do no suffer a significant loss on your initial investment in the securities. See “UnitedHealth Group Incorporated Overview” and “Humana Inc. Overview” below.

§ **The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities.** You are dependent on our ability to pay all amounts due on the securities on each coupon payment date, upon automatic redemption and at maturity and therefore you are subject to our credit risk. The securities are not guaranteed by any other entity. If we default on our obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market’s view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.

§ **As a finance subsidiary, MSFL has no independent operations and will have no independent assets.** As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

§ **Reinvestment risk.** The term of your investment in the securities may be shortened due to the automatic early redemption feature of the securities. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly 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.

§ **Investing in the securities is not equivalent to investing in the common stock of UnitedHealth Group Incorporated or the common stock of Humana Inc.** Investors in the securities will not participate in any appreciation in the underlying stocks, and will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying stocks. As a result, any return on the securities will not reflect the return you would realize if you actually owned shares of the underlying stocks and received the dividends paid or distributions made on them.

§ **No affiliation with UnitedHealth Group Incorporated or Humana Inc.** UnitedHealth Group Incorporated and Humana Inc. are not affiliates of ours, are not involved with this offering in any way, and have no obligation to consider your interests in taking any corporate actions that might affect the value of the securities. We have not made any due diligence inquiry with respect to UnitedHealth Group Incorporated or Humana Inc. in connection with this offering.

§ **We may engage in business with or involving UnitedHealth Group Incorporated or Humana Inc. without regard to your interests.** We or our affiliates may presently or from time to time engage in business with UnitedHealth Group Incorporated or Humana Inc. without regard to your interests and thus may acquire non-public information about UnitedHealth Group Incorporated or Humana Inc. Neither we nor any of our affiliates undertakes to disclose any such information to you. In addition, we or our affiliates from time to time have published and in the future may publish research reports with respect to UnitedHealth Group Incorporated or Humana Inc., which may or may not recommend that investors buy or hold the underlying stock(s).

§ **The antidilution adjustments the calculation agent is required to make do not cover every corporate event that could affect the underlying stocks.** MS & Co., as calculation agent, will adjust the adjustment factors for certain corporate events affecting the underlying stocks, such as stock splits, stock dividends and extraordinary dividends, and certain other corporate actions involving the issuers of the underlying stocks, such as mergers. However, the calculation agent will not make an adjustment for every corporate event that can affect the underlying stocks. For example, the calculation agent is not required to make any adjustments if the issuers of the underlying stocks or anyone else makes a partial tender or partial exchange offer for the underlying stocks, nor will adjustments be made following the final observation date. In addition, no adjustments will be made for regular cash dividends, which are expected to reduce the price of the underlying stocks by the amount of such dividends. If an event occurs that does not require the calculation agent to adjust an adjustment factor, such as a regular cash dividend, the market price of the securities and your return on the securities may be materially and adversely affected. For example, if the record date for a regular cash dividend were to occur on or shortly before an observation date, this may decrease the determination closing price of an underlying stock to be less than the respective downside threshold level (resulting in no contingent quarterly coupon being paid with respect to such date) or the final share price of an underlying stock to be less than the respective downside threshold level (resulting in a loss of a significant portion of all of your investment in the securities), materially and adversely affecting your return.

§ **The securities will not be listed on any securities exchange and secondary trading may be limited, and accordingly, you should be willing to hold your securities for the entire 3-year term of the securities.** The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the

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securities. MS & Co. may, but is not obligated to, make a market in the securities and, if it once chooses to make a market, may cease doing so at any time. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

§ **The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the inclusion of costs associated with**