

MORGAN STANLEY
Form 424B2
August 24, 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>
Outperformance Buffered Performance Leveraged Upside Securities due 2020	\$3,425,000	\$426.41

PROSPECTUS dated November 16, 2017
PROSPECTUS SUPPLEMENT dated November 16, 2017
INDEX SUPPLEMENT dated November 16, 2017

Pricing Supplement No. 899 to
Registration Statement Nos. 333-221595; 333-221595-01
Dated August 22, 2018
Rule 424(b)(2)

\$3,425,000

Morgan Stanley Finance LLC

GLOBAL MEDIUM-TERM NOTES, SERIES A
Senior Notes

Outperformance Buffered PLUS Due August 27, 2020

Based on the Performance of the iShares® Russell 1000 Value ETF Relative to the iShares® Russell 1000 Growth ETF

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The Outperformance Buffered PLUS Based on the Performance of the iShares® Russell 1000 Value ETF Relative to the iShares® Russell 1000 Growth ETF due August 27, 2020, which we refer to as the Outperformance Buffered PLUS, are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The Outperformance Buffered PLUS do not pay interest and provide a minimum payment at maturity of only 10% of the stated principal amount. The Outperformance Buffered PLUS will pay at maturity an amount based on the performance of the iShares® Russell 1000 Value ETF (the “IWD Shares”), which track the investment results of an index composed of large- and mid-capitalization U.S. equities that exhibit value characteristics, relative to the performance of the iShares® Russell 1000 Growth ETF (the “IWF Shares”), which track the investment results of an index composed of large- and mid-capitalization U.S. equities that exhibit growth characteristics, over the term of the Outperformance Buffered PLUS. We refer to each of the IWD Shares and the IWF Shares as the “underlying shares.” If the IWD Shares outperform the IWF Shares, you will receive at maturity a positive return reflecting 150% of the difference between the percentage performance of the IWD Shares and the percentage performance of the IWF Shares, subject to a maximum payment at maturity. If the IWD Shares return is equal to the IWF Shares return, or if the IWD Shares underperform the IWF Shares such that the outperformance return is negative but not less than -10%, you will receive at maturity the \$1,000 stated principal amount of each

*Outperformance Buffered PLUS. However, if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, you will lose 1% for every 1% of such relative underperformance beyond the specified buffer amount, subject to the minimum payment at maturity of only 10% of the stated principal amount. The Outperformance Buffered PLUS are based on relative performance. Consequently, you will earn a positive return even if both underlying shares decline over the term of the Outperformance Buffered PLUS but only if the IWD Shares have declined by a lesser percentage than the IWF Shares. Similarly, you may suffer a loss even if both underlying shares increase over the term of the Outperformance Buffered PLUS, if the IWD Shares have increased by a lesser percentage than the IWF Shares. You will receive a positive return on your investment only if the IWD Shares outperform the IWF Shares. You will lose money on your investment if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%. The Outperformance Buffered PLUS are for investors who are willing to risk their principal in exchange for the opportunity to receive a capped positive return if the IWD Shares outperform the IWF Shares and in exchange for the leverage feature, which applies to a limited range of positive relative performance of the IWD Shares over the IWF Shares. The Outperformance Buffered PLUS are senior 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 your entire 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.***

- *The stated principal amount and issue price of each Outperformance Buffered PLUS is \$1,000.*
- *We will not pay interest on the Outperformance Buffered PLUS.*

At maturity, you will receive for each \$1,000 stated principal amount of Outperformance Buffered PLUS a payment at maturity equal to:

Ø *If the IWD Shares outperform the IWF Shares, the product of (i) \$1,000 times (ii) 1 plus (x) the outperformance return times (y) the participation rate, subject to the maximum payment at maturity.*

Ø *If the IWD Shares return is equal to the IWF Shares return, or if the IWD Shares underperform the IWF Shares such that the outperformance return is negative but not less than -10%, \$1,000.*

Ø *If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, the product of \$1,000 times (i) 1 plus the outperformance return plus (ii) the buffer amount, subject to the minimum payment at maturity of \$100 per \$1,000 stated principal amount.*

Under these circumstances, you will lose some, and up to 90%, of your investment.

The outperformance return will equal the IWD Shares return minus the IWF Shares return and will be a positive number if the IWD Shares outperform the IWF Shares and a negative number if the IWD Shares underperform the IWF Shares.

Ø *The IWD Shares return and the IWF Shares return will each equal (i) the final price for the relevant underlying shares minus the initial price for the relevant underlying shares divided by (ii) the initial price for the relevant underlying shares.*

Ø *The initial price for each underlying shares equals the closing price of one share of such underlying shares on August 22, 2018, the day we price the Outperformance Buffered PLUS for initial sale to the public, which we refer to as the pricing date, as follows:*

With respect to the IWD Shares, \$126.67, which is the closing price of such underlying shares on the pricing date.

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With respect to the IWF Shares, \$151.75, which is the closing price of such underlying shares on the pricing date.

The final share price will be, with respect to each of the underlying shares, the closing price of one share of such underlying shares on the valuation date times the adjustment factor for such underlying shares on such date.

The valuation date is August 24, 2020, subject to postponement for non-trading days and certain market disruption events.

The adjustment factor with respect to each of the underlying shares will initially be set at 1.0 and may be adjusted to reflect certain events affecting the underlying shares.

The maximum payment at maturity is equal to \$1,580 per stated principal amount (158% of the stated principal amount).

The minimum payment at maturity is \$100 per stated principal amount, which is equal to 10% of the stated principal amount.

- *The participation rate will equal 150%.*

- *The buffer amount is 10%.*

Investing in the Outperformance Buffered PLUS is not equivalent to investing in the IWD Shares or the IWF Shares.

If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, you will lose money on your investment.

- *The Outperformance Buffered PLUS will not be listed on any securities exchange.*

The estimated value of the securities on the pricing date is \$989.90 per Outperformance Buffered PLUS. See "Summary of Pricing Supplement" beginning on PS-3.

The CUSIP number for the Outperformance Buffered PLUS is 61768DCM5 and the ISIN for the Outperformance Buffered PLUS is US61768DCM56.

You should read the more detailed description of the Outperformance Buffered PLUS in this pricing supplement. In particular, you should review and understand the descriptions in “Summary of Pricing Supplement” and “Description of Outperformance Buffered PLUS.”

The Outperformance Buffered PLUS are riskier than ordinary debt securities. See “Risk Factors” beginning on PS-13.

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

PRICE \$1,000 PER OUTPERFORMANCE BUFFERED PLUS

	<i>Price to Public</i>	<i>Agent’s Commissions⁽¹⁾</i>	<i>Proceeds to us⁽²⁾</i>
<i>Per Outperformance Buffered PLUS</i>	<i>\$1,000</i>	<i>\$2.50</i>	<i>\$997.50</i>
<i>Total</i>	<i>\$3,425,000</i>	<i>\$8,562.50</i>	<i>\$3,416,437.50</i>

(1) Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$2.50 for each Outperformance Buffered PLUS 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 prospectus supplement.

(2) See “Use of proceeds and hedging” on PS 35.

The Agent for this offering, Morgan Stanley & Co. LLC, is our affiliate. See “Description of the Securities—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest.”

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

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.

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No action has been or will be taken by us, the agent or any dealer that would permit a public offering of the Outperformance Buffered PLUS or possession or distribution of this pricing supplement or the accompanying prospectus supplement, index supplement or prospectus in any jurisdiction, other than the United States, where action for that purpose is required. No offers, sales or deliveries of the Outperformance Buffered PLUS, or distribution of this pricing supplement or the accompanying prospectus supplement, index supplement or prospectus or any other offering material relating to the Outperformance Buffered PLUS, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on us, the agent or any dealer.

The agent has represented and agreed, and each dealer through which we may offer the Outperformance Buffered PLUS has represented and agreed, that it (i) will comply with all applicable laws and regulations in force in each non-U.S. jurisdiction in which it purchases, offers, sells or delivers the Outperformance Buffered PLUS or possesses or distributes this pricing supplement and the accompanying prospectus supplement, index supplement and prospectus and (ii) will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Outperformance Buffered PLUS under the laws and regulations in force in each non-U.S. jurisdiction to which it is subject or in which it makes purchases, offers or sales of the Outperformance Buffered PLUS. We shall not have responsibility for the agent's or any dealer's compliance with the applicable laws and regulations or obtaining any required consent, approval or permission.

In addition to the selling restrictions set forth in "Plan of Distribution (Conflicts of Interest)" in the accompanying prospectus supplement, the following selling restrictions also apply to the Outperformance Buffered PLUS:

The Outperformance Buffered PLUS have not been and will not be registered with the Comissão de Valores Mobiliários (The Brazilian Securities Commission). The Outperformance Buffered PLUS may not be offered or sold in the Federative Republic of Brazil except in circumstances which do not constitute a public offering or distribution under Brazilian laws and regulations.

The Outperformance Buffered PLUS have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered or sold publicly in Chile. No offer, sales or deliveries of the Outperformance Buffered PLUS or distribution of this pricing supplement or the accompanying prospectus supplement, index supplement or prospectus, may be made in or from Chile except in circumstances which will result in compliance with any applicable Chilean laws and regulations.

The Outperformance Buffered PLUS have not been registered with the National Registry of Securities maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This pricing supplement, the accompanying prospectus supplement, the accompanying

index supplement and the accompanying prospectus may not be publicly distributed in Mexico.

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SUMMARY OF PRICING SUPPLEMENT

The following summary describes the Outperformance Buffered PLUS we are offering to you in general terms only. You should read the summary together with the more detailed information that is contained in the rest of this pricing supplement and in the accompanying prospectus supplement, index supplement and prospectus. You should carefully consider, among other things, the matters set forth in “Risk Factors.”

The Outperformance Buffered PLUS are medium-term debt securities of MSFL and are fully and unconditionally guaranteed by Morgan Stanley. The Outperformance Buffered PLUS do not pay interest and provide a minimum payment at maturity of only 10% of the stated principal amount. The Outperformance Buffered PLUS have been designed for investors who are willing to accept the risk of loss of their principal and are willing to forgo interest payments in exchange for the possibility of receiving a capped leveraged return if the IWD Shares outperform the IWF Shares. If the IWD Shares outperform the IWF Shares, you will receive at maturity a positive return reflecting 150% of the difference between the percentage performance of the IWD Shares and the percentage performance of the IWF Shares, subject to a maximum payment at maturity. If the IWD Shares return is equal to the IWF Shares return, or if the IWD Shares underperform the IWF Shares such that the outperformance return is negative but not less than -10%, you will receive at maturity the \$1,000 stated principal amount of each Outperformance Buffered PLUS. However, if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, you will lose 1% for every 1% of such relative underperformance beyond the specified buffer amount, subject to the minimum payment at maturity of only 10% of the stated principal amount. If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, investors will lose money on their investment. All payments on the securities are subject to our credit risk.

iShares® is a registered trademark of BlackRock Institutional Trust Company, N.A. (“BTC”). The securities are not sponsored, endorsed, sold, or promoted by BTC. BTC makes no representations or warranties to the owners of the securities or any member of the public regarding the advisability of investing in the securities. BTC has no obligation or liability in connection with the operation, marketing, trading or sale of the securities.

Each Outperformance Buffered PLUS costs \$1,000	We are offering you Outperformance Buffered PLUS Due August 27, 2020, Based on the Performance of the iShares® Russell 1000 Value ETF Relative to the iShares® Russell 1000 Growth ETF, which we refer to as the Outperformance Buffered PLUS. The stated principal amount of each Outperformance Buffered PLUS is \$1,000.
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The original issue 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 \$989.90.

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 shares. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying shares, instruments based on the underlying shares, 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 buffer amount and the participation rate, 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 Morgan Stanley & Co. LLC, which we refer to as MS & Co., purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying shares, 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 shares, 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.

The Outperformance Buffered PLUS provide a return at maturity based on the relative performance of the underlying shares, subject to the maximum payment at maturity, and the minimum payment at maturity is only 10% of the principal amount

Unlike ordinary debt securities, the Outperformance Buffered PLUS do not pay interest and do not guarantee the full return of principal at maturity. If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, investors will lose 1% for every 1% relative underperformance beyond the specified buffer amount, subject to the minimum payment at maturity of 10% of the stated principal amount. **You may lose up to 90% of your investment in the Outperformance Buffered PLUS if the IWD Shares underperform the IWF Shares.**

The Outperformance Buffered PLUS offer a payment at maturity based on the performance of the IWD Shares relative to the performance of the IWF Shares, based on whether, and the extent to which, the IWD Shares

The Outperformance Buffered PLUS offer a payment at maturity based on the performance of the IWD Shares relative to the performance of the IWF Shares.

outperform the IWF Shares

The IWD Shares are shares of the iShares® Russell 1000 Value ETF, which is managed by iShares®, Inc. (“iShares”), a registered investment company that consists of numerous separate investment portfolios, and which tracks the performance of the Russell 1000® Value Index. The Russell 1000® Value Index is a subset of the Russell 1000® Index that seeks to measure the performance of equity securities with a lower price-to-book ratio relative to the other securities of the Russell 1000® Index. Constituents of the IWD Shares are selected for sector balance. The Russell 1000® Value Index represents approximately 50% of the total market value of the Russell 1000® Index.

The IWF Shares are shares of the iShares® Russell 1000 Growth ETF, which is managed by iShares, and which tracks the performance of the Russell 1000® Growth Index (together with the Russell 1000® Value Index, the “share underlying indices”). The Russell 1000® Growth Index is a subset of the Russell 1000® Index that seeks to measure the performance of equity securities with higher I/B/E/S (Institutional Brokers’ Estimate System) forecast medium-term growth and higher sales per share

historical growth relative to the other securities of the Russell 1000® Index. Constituents of the IWF Shares are selected for sector balance. The Russell 1000® Growth Index represents approximately 50% of the total market value of the Russell 1000® Index.

The Outperformance Buffered PLUS therefore offer exposure to the performance of the value sector of the U.S. equity markets relative to the growth sector of the U.S. equities markets, as measured by the performance of the IWD Shares and the IWF Shares, respectively.

Payment at maturity At maturity, we will pay you an amount based on the performance of the IWD Shares relative to the performance of the IWF Shares, calculated as follows:

Ø *If the IWD Shares outperform the IWF Shares, meaning that the IWD Share return is greater than the IWF Share return, then the outperformance return will be positive, and you will receive at maturity an amount greater than the \$1,000 stated principal amount and calculated as follows:*

$\$1,000 \times [1 + (\text{outperformance return} \times \text{participation rate})]$, subject to the maximum payment at maturity.

where,

Participation rate = 150%

Outperformance
return

IWD Shares return – IWF Shares return, which will be a positive number if the IWD Shares =outperform the IWF Shares and a negative number if the IWD Shares underperform the IWF Shares

Maximum payment at maturity = \$1,580 (158% of the stated principal amount)

where,

$$\text{IWD Shares return} = \frac{\text{IWD Shares final share price} - \text{IWD Shares initial share price}}{\text{IWD Shares initial share price}}$$

and,

$$\text{IWF Shares return} = \frac{\text{IWF Shares final share price} - \text{IWF Shares initial share price}}{\text{IWF Shares initial share price}}$$

where,

IWD Shares initial share price = \$126.67, which is the closing price of the IWD Shares on the pricing date,

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IWD Shares final share price = the closing price of the IWD Shares on August 24, 2020, which we refer to as the valuation date, subject to adjustment for market disruption events, times the applicable adjustment factor on such day

IWF Shares initial share price = \$151.75, which is the closing price of the IWF Shares on the pricing date, and

IWF Shares final share price = the closing price of the IWF Shares on the valuation date, subject to adjustment for market disruption events, times the applicable adjustment factor on such day

Ø If the IWD Shares return is equal to the IWF Shares return, or if the IWD Shares underperform the IWF Shares such that the outperformance return is negative but not less than -10%, you will receive at maturity an amount that will equal the \$1,000 stated principal amount.

Ø If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, and you will receive at maturity an amount that will be less than the \$1,000 stated principal amount

and calculated as follows:

$\$1,000 \times (1 + \text{outperformance return}) + \text{buffer amount}$, subject to the minimum payment at maturity of \$100 per \$1,000 stated principal amount.

Under these circumstances, you will lose some, and up to 90%, of your investment.

The participation rate is 150% and will enhance any outperformance of the IWD Shares relative to the IWF Shares, subject to the maximum payment at maturity. Accordingly, if the IWD Shares outperform the IWF Shares, the return on your investment will be at a rate of 1.5 times the rate of the outperformance, or 1.5% gain of principal for every 1% of outperformance, subject to the maximum payment at maturity. On the other hand, if the IWD Shares underperform the IWF Shares

sufficiently such that the outperformance return is less than -10%, each additional 1% of underperformance will result in a 1% loss of principal. You may lose up to 90% of your investment in the Outperformance Buffered PLUS if the IWD Shares underperform the IWF Shares.

We will assess the extent of any outperformance or underperformance of the IWD Shares relative to the IWF Shares by taking the IWD Shares return (which will be expressed as a percentage increase or decrease) and comparing it to the IWF Shares return (which will also be expressed as a percentage increase or decrease). If the IWD Shares return exceeds the IWF Shares return, the IWD Shares will have outperformed the IWF Shares. If the IWD Shares return is less than the IWF Shares return, the IWD Shares will have underperformed the IWF Shares. If the IWD Shares return is equal to the IWF Shares return, or if

the IWD Shares
underperform the
IWF

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Shares such that the outperformance return is negative but not less than -10%, you will receive the \$1,000 stated principal amount of each Outperformance Buffered PLUS. However, if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, investors will lose 1% for every 1% relative underperformance beyond the specified buffer amount, subject to the minimum payment at maturity of 10% of the stated principal amount. For example, if the IWD Shares return is 25% (meaning the IWD Shares have appreciated 25% over the term of the Outperformance Buffered PLUS) and the IWF Shares return is 40% (meaning the IWF Shares have appreciated 40% over the term of the Outperformance Buffered PLUS), the IWD Shares will have underperformed the IWF Shares by 15%. Because this level of underperformance is greater than the buffer amount of 10%, it would result in a return of negative 5% even though both underlying shares have appreciated.

On PS-9, we have provided a graph titled “Hypothetical Payouts on the Outperformance Buffered PLUS at Maturity,” which illustrates the performance of the Outperformance Buffered PLUS at maturity assuming a range of hypothetical outperformance returns. The graph does not show every situation that may occur. On PS-11, we have also provided a set of examples that show how the relative performances of each of the underlying shares can affect your payment at maturity.

Please review the historical performances of the IWD Shares and the IWF Shares for the period from January 1, 2013 through August 22, 2018 and the historical hypothetical outperformance return in this pricing supplement under “Description of Outperformance Buffered PLUS—Historical Information.” You cannot predict the future performance of the IWD Shares or the IWF Shares based on their historical performance.

Investing in the Outperformance Buffered PLUS is not equivalent to investing in the IWD Shares, the IWF Shares or any of the respective stocks underlying the underlying shares or the share underlying indices. Your investment is based on the performance of the IWD Shares relative to the performance of the IWF Shares. You will receive a positive return on your investment only if the IWD Shares outperform the IWF Shares. You will lose money on your investment if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%.

**Morgan
Stanley & Co.
LLC will be
the calculation
agent**

We have appointed our affiliate, Morgan Stanley & Co. LLC, which we refer to as MS & Co., to act as calculation agent for The Bank of New York Mellon, a New York banking corporation, the trustee for our senior debt securities. As calculation agent, MS & Co. will determine the IWD Shares initial share price, the IWF Shares initial share price, the IWD Shares final share price, the IWF Shares final share price, the IWD Shares return, the IWF Shares return and the outperformance return and will calculate the payment at maturity.

Morgan Stanley & Co. LLC will be the agent; conflicts of interest The agent for the offering of the securities, MS & Co., a wholly owned subsidiary of Morgan Stanley and an affiliate of MSFL, will conduct this offering in compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of the securities of an affiliate and related conflicts of interest. MS & Co. or any of our other affiliates may not make sales in this offering to any discretionary account. See "Description of Outperformance Buffered PLUS—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest" on PS-36.

You may revoke your offer to purchase the Outperformance Buffered PLUS prior to our acceptance We are using this pricing supplement to solicit from you an offer to purchase the Outperformance Buffered PLUS. You may revoke your offer to purchase the Outperformance Buffered PLUS at any time prior to the time at which we accept such offer by notifying the relevant agent. We reserve the right to change the terms of, or reject any offer to purchase, the Outperformance Buffered PLUS prior to their issuance. In the event of any material changes to the terms of the Outperformance Buffered PLUS, we will notify you.

Where you can find more information on the Outperformance Buffered PLUS The Outperformance Buffered PLUS are unsecured senior debt securities issued as part of our Series A medium-term note program. You can find a general description of our Series A medium-term note program in the accompanying prospectus supplement dated November 16, 2017, the index supplement dated November 16, 2017 and in the prospectus dated November 16, 2017. We describe the basic features of this type of debt security in the sections of the prospectus supplement called "Description of Notes—Notes Linked to Commodity Prices, Single Securities, Baskets of Securities or Indices" and in the section of the prospectus called "Description of Debt Securities—Fixed Rate Debt Securities."

Because this is a summary, it does not contain all the information that may be important to you. For a detailed description of the terms of the Outperformance Buffered PLUS, you should read the "Description of Outperformance Buffered PLUS" section in this pricing supplement. You should also read about some of the risks involved in investing in the Outperformance Buffered PLUS in the section called "Risk Factors." The tax treatment of investments in equity-linked securities such as these may differ from that of investments in ordinary debt securities. See the section of this pricing supplement called "Description of Outperformance Buffered PLUS—United States Federal Income Taxation." You should consult with your investment, legal, tax, accounting and other advisors with regard to any proposed or actual investment in the Outperformance Buffered PLUS.

How to reach us You may contact your local Morgan Stanley branch office or Morgan Stanley's principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (212) 761-4000).

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HYPOTHETICAL PAYOUTS ON THE OUTPERFORMANCE BUFFERED PLUS AT MATURITY

*The following graph illustrates the payout on the Outperformance Buffered PLUS at maturity for a range of hypothetical outperformance returns. The outperformance return is a measure of the **relative** performance of the IWD Shares to the IWF Shares, not of the stand-alone performance of either the IWD Shares or the IWF Shares. The outperformance return can be negative even when the IWD Shares appreciate over the term of the Outperformance Buffered PLUS and can be positive even when the IWD Shares depreciate. Please see the “Table of Examples—Relative Shares Performances” below. The graph is based on the following hypothetical terms:*

- *Stated principal amount per Outperformance Buffered PLUS: \$1,000*
- *Participation rate: 150%*
- *Buffer amount: 10%*
- *Maximum payment at maturity: \$1,580 per stated principal amount (158% of the stated principal amount)*
- *Minimum payment at maturity: \$100 per stated principal amount (10% of the stated principal amount)*

Upside Scenario. If the IWD Shares outperform the IWF Shares so that the IWD Shares return is greater than the IWF Shares return, the outperformance return will be greater than zero and investors will receive a return reflecting 150% of the outperformance return.

If the outperformance return is 2%, the investor would receive a return of 3% at maturity, or \$1,030 per Outperformance Buffered PLUS.

If the outperformance return is 70%, the investor would receive only the maximum payment at maturity of \$1,580 per Outperformance Buffered PLUS, or 158% of the stated principal amount.

Par Scenario. If the IWD Shares return is equal to the IWF Shares return, or if the IWD Shares underperform the IWF Shares such that the outperformance return is negative but not less than -10%, investors will receive the stated

principal amount of \$1,000 per Outperformance Buffered PLUS.

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- o If the outperformance return is 5%, investors will receive the \$1,000 stated principal amount.

Downside Scenario. If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, investors will receive an amount that is less than the stated principal amount by an amount that is proportionate to the negative outperformance return plus the buffer amount of 10%, subject to the minimum payment at maturity.

For example, if the outperformance return is -50%, investors would lose 40% of their principal and receive only \$600 per Outperformance Buffered PLUS at maturity, or 60% of the stated principal amount.

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Table of Examples – Relative Shares Performances

The following examples demonstrate the effect of the relative performances of each of the IWD Shares and IWF Shares on your investment return and are based on the following hypothetical terms:

- Stated principal amount per Outperformance Buffered PLUS: \$1,000
- Participation rate: 150%
- Buffer amount: 10%
- Maximum payment at maturity: \$1,580 per stated principal amount (158% of the stated principal amount)
- Minimum payment at maturity: \$100 per stated principal amount (10% of the stated principal amount)

	<i>Example 1</i>	<i>Example 2</i>	<i>Example 3</i>	<i>Example 4</i>	<i>Example 5</i>
IWD Shares return:	20%	-10%	15%	15%	-80%
IWF Shares return:	5%	-15%	22%	30%	-10%
Outperformance Return:	15%	5%	-7%	-15%	-70%
Payment at Maturity:	\$1,225	\$1,075	\$1,000	\$950	\$400
Return on Outperformance Buffered PLUS:	22.5%	7.5%	0%	-5%	-60%

In Example 1, the IWD Shares have appreciated by 20% and the IWF Shares have appreciated by 5%, resulting in an outperformance return of 15% (representing the difference between the performance of the IWD Shares and the performance of the IWF Shares). The payment at maturity is therefore \$1,225, which represents a 22.5% return on the Outperformance Buffered PLUS.

Payment at maturity = (\$1,000 times [1 + (15% x 150%)]), subject to the maximum payment at maturity = \$1,225

In Example 2, the IWD Shares have depreciated by 10% and the IWF Shares have depreciated by 15%, resulting in an outperformance return of 5% (representing the difference between the performance of the IWD Shares and the performance of the IWF Shares). The payment at maturity is therefore \$1,075, which represents a 7.5% return on the Outperformance Buffered PLUS.

Payment at maturity = (\$1,000 times [1 + (5% x 150%)]), subject to the maximum payment at maturity = \$1,075

Accordingly, even though the IWD Shares have depreciated over the term of the Outperformance Buffered PLUS, they have still outperformed the IWF Shares and therefore you will receive a positive return on your investment.

In Example 3, the IWD Shares have appreciated by 15% and the IWF Shares have appreciated by 22%, resulting in an outperformance return of -7% (representing the difference between the performance of the IWD Shares and the performance of the IWF Shares). Because the IWD Shares have underperformed the IWF Shares by an amount less than or equal to the buffer amount of 10%, the payment at maturity will be the \$1,000 stated principal amount.

Accordingly, even though the IWD Shares have appreciated over the term of the Outperformance Buffered PLUS, they have not outperformed the IWF Shares and therefore you will not receive a positive return on your investment.

In Example 4, the IWD Shares have appreciated by 15% and the IWF Shares have appreciated by 30%, resulting in an outperformance return of -15% (representing the difference between the performance of the IWD Shares and the performance of the IWF Shares). Because the underperformance of the IWD Shares relative to the IWF Shares is greater than the buffer amount of 10%, the payment at maturity is \$950, which represents a 5% loss on the Outperformance Buffered PLUS.

Payment at maturity = (\$1,000 times [1 + (-15% + 10%)]), subject to a minimum payment at maturity of \$100 = \$950

Accordingly, even though the IWD Shares have appreciated over the term of the Outperformance Buffered PLUS, they have underperformed the IWF Shares by more than the buffer amount of 10% and therefore you will receive a payment at maturity that is less than the \$1,000 stated principal amount.

In Example 5, the IWD Shares have depreciated by 80% and the IWF Shares have depreciated by 10%, resulting in an outperformance return of -70% (representing the difference between the performance of the IWD Shares and the performance of the IWF Shares). In this situation, the payment at maturity would be \$400 (\$1,000 *times* [1 + (-70% + 10%)]), subject to a minimum payment at maturity of \$100), representing a loss of 60% on the Outperformance Buffered PLUS.

Payment at maturity = (\$1,000 times [1 + (-70% + 10%)]), subject to a minimum payment at maturity of \$100) = \$400

Accordingly, even though the IWF Shares have depreciated over the term of the Outperformance Buffered PLUS, the IWD Shares have underperformed the IWF Shares by more than the buffer amount of 10%, resulting in a payment at maturity that is significantly less than the \$1,000 stated principal amount.

If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, you will lose some, and up to 90%, of your investment in the Outperformance Buffered PLUS.

RISK FACTORS

The Outperformance Buffered PLUS are not secured debt, are riskier than ordinary debt securities and do not pay interest. The payment you receive at maturity is linked to the performance of the IWD Shares relative to the performance of the IWF Shares. Investing in the Outperformance Buffered PLUS is not equivalent to investing in the underlying shares or the stocks that constitute the iShares® Russell 1000 Value ETF or the iShares® Russell 1000 Growth ETF. This section describes the most significant risks relating to the Outperformance Buffered PLUS. You should carefully consider whether the Outperformance Buffered PLUS are suited to your particular circumstances in connection with your investment in the Outperformance Buffered PLUS.

Unlike ordinary senior notes, the Outperformance Buffered PLUS do not pay interest and provide a minimum payment at maturity of only 10% of your principal

The terms of the Outperformance Buffered PLUS differ from those of ordinary debt securities in that we will not pay you interest on the Outperformance Buffered PLUS and the Outperformance Buffered PLUS provide a minimum payment at maturity of only 10% of the stated principal amount of the Outperformance Buffered PLUS. At maturity you will receive for each \$1,000 stated principal amount of Outperformance Buffered PLUS that you hold an amount in cash based upon the performance of the IWD Shares relative to the performance of the IWF Shares. If the IWD Shares return is equal to the IWF Shares return, or if the IWD Shares underperform the IWF Shares such that the outperformance return is negative but not less than -10%, you will receive the \$1,000 stated principal amount of each Outperformance Buffered PLUS. However, if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, investors will lose 1% for every 1% of underperformance beyond the specified buffer amount, subject to the minimum payment at maturity of \$100 per stated principal amount, or 10% of the stated principal amount. **Accordingly, investors may lose up to 90% of the stated principal amount of the Outperformance Buffered PLUS. See “Hypothetical Payouts on the Outperformance Buffered PLUS at Maturity” on PS-9.**

The appreciation potential of the Outperformance Buffered PLUS is limited

The appreciation potential of the Outperformance Buffered PLUS is limited by the maximum payment at maturity of \$1,580 per stated principal amount, or 158% of the stated principal amount. Although the participation rate provides 150% exposure to any positive outperformance return, because the payment at maturity will be limited to 158% of the stated principal amount for the Outperformance Buffered PLUS, any outperformance return beyond approximately 38.67% will not further increase the return on the Outperformance Buffered PLUS. See “Hypothetical Payouts on the Outperformance Buffered PLUS at Maturity” on PS-9.

The payment at maturity is based on the performance of the IWD Shares relative to the performance of the IWF Shares

The payment at maturity is based on the performance of the IWD Shares relative to the performance of the IWF Shares. You will receive a positive return on your investment only if the IWD Shares outperform the IWF Shares. You will lose money on your investment if the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%. Accordingly, the IWD Shares must appreciate over the term of the Outperformance Buffered PLUS by a greater percentage (or, if the IWF Shares and the IWD Shares both depreciate, the IWD Shares must depreciate by a lower percentage) than the percentage appreciation (or depreciation, if applicable) of the IWF Shares in order for you to receive a positive return on your investment. If the IWD Shares underperform the IWF Shares sufficiently such that the outperformance return is less than -10%, you will lose some, and up to 90%, of your investment *even if the IWD Shares have increased over the term of the Outperformance Buffered PLUS*. In addition, price movements in either of the underlying shares will affect the payment at maturity, and a decrease in the IWD Shares combined with an increase in the IWF Shares will amplify the underperformance and consequently the loss on the Outperformance Buffered PLUS at maturity.

Changes in the share return of the IWD Shares may be offset or entirely negated by changes in the share return of the IWF Shares

Changes in the share return of the IWD Shares may be offset or entirely negated by corresponding changes in the share return of the IWF Shares. If the share return of the IWD Shares strongly correlates with the share return of the IWF Shares, you may not receive any positive return on your investment. Conversely, if the share return of the IWD Shares does not correlate with the share return of the IWF Shares, your investment will be exposed to any underperformance of the IWD Shares relative to the IWF Shares beyond the buffer amount. Your Outperformance Buffered PLUS may be subject to a loss even if the IWD Shares appreciate or the IWF Shares depreciate over the term of the Outperformance Buffered PLUS.

The Outperformance Buffered PLUS are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the Outperformance Buffered PLUS

You are dependent on our ability to pay all amounts due on the Outperformance Buffered PLUS at maturity and therefore you are subject to our credit risk. If we default on our obligations under the Outperformance Buffered PLUS, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the Outperformance Buffered PLUS prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the Outperformance Buffered PLUS.

As a finance subsidiary, MSFL has no independent operations and will have no independent assets

As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank pari passu with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against

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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.

PS-14

The Outperformance Buffered PLUS will not be listed on any securities exchange and secondary trading may be limited

The Outperformance Buffered PLUS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the Outperformance Buffered PLUS. MS & Co. may, but is not obligated to, make a market in the Outperformance Buffered PLUS. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Outperformance Buffered PLUS easily. Because we do not expect that other broker-dealers will participate significantly in the secondary market for the Outperformance Buffered PLUS, the price at which you may be able to trade your Outperformance Buffered PLUS is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were not to make a market in the Outperformance Buffered PLUS, it is likely that there would be no secondary market for the Outperformance Buffered PLUS. Accordingly, you should be willing to hold your Outperformance Buffered PLUS 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 issuing, selling, structuring and hedging the Outperformance Buffered PLUS in the original issue price reduce the economic terms of the Outperformance Buffered PLUS, cause the estimated value of the Outperformance Buffered PLUS to be less than the original issue price and will adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the Outperformance Buffered PLUS in secondary market transactions will likely be significantly lower than the original issue price, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the original issue price and borne by you and because the secondary market prices will reflect our secondary market credit spreads and the bid-offer spread that any dealer would charge in a secondary market transaction of this type as well as other factors.

The inclusion of the costs of issuing, selling, structuring and hedging the Outperformance Buffered PLUS in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the Outperformance Buffered PLUS less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the Outperformance Buffered PLUS 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 Outperformance Buffered PLUS in the secondary market, absent changes in market conditions, including those related to the underlying shares, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that

those higher values will also be reflected in your brokerage account statements.

Investing in the Outperformance Buffered PLUS is not equivalent to investing in the underlying shares or the stocks composing the share underlying indices

Investing in the Outperformance Buffered PLUS is not equivalent to investing in the underlying shares, the share underlying indices or the stocks that constitute the share underlying indices. Investors in the Outperformance Buffered PLUS will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying shares or the stocks that constitute the share underlying indices.

Adjustments to the IWD Shares or the IWF Shares or the indices tracked by the underlying shares could adversely affect the

The investment adviser to the iShares® Russell 1000 Value ETF and the iShares® Russell 1000 Growth ETF, BlackRock Fund Advisors (the “Investment Adviser”), seeks investment results that correspond generally to the total return performance, before fees and expenses, of the respective share underlying index. Pursuant to its investment strategy or otherwise, the investment advisor may add, delete or

**value of the
Outperformance Buffered
PLUS**

substitute the stocks composing the respective underlying shares. Any of these actions could affect the price of the respective underlying shares and, consequently, the value of the Outperformance Buffered PLUS. The publisher of the share underlying indices is responsible for calculating and maintaining the share underlying indices. The publisher may add, delete or substitute the securities constituting the share underlying indices or make other methodological changes that could change the value of the share underlying indices, and, consequently, the price of the underlying shares and the value of the Outperformance Buffered PLUS. The publisher of the share underlying indices may discontinue or suspend calculation or publication of a share underlying index at any time. In these circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued share underlying index and will be permitted to consider indices that are calculated and published by the calculation agent or any of its affiliates.

**You have no shareholder
rights as an investor in the
Outperformance Buffered
PLUS**

As an investor in the Outperformance Buffered PLUS, you will not have voting rights, the right to receive dividends or other distributions or any other rights with respect to the stocks that underlie the IWD Shares or the IWF Shares.

**The Outperformance
Buffered PLUS are linked
to the IWD and IWF
Shares and are subject to
risks associated with value
securities and growth
securities, respectively**

The IWD Shares and the IWF Shares track the performance of the Russell 1000® Value Index and the Russell 1000® Growth Index, respectively. Each of the equity securities included in the Russell 1000® Value Index has been issued by large- and mid-capitalization companies with relatively lower price-to-book ratios. These securities, perceived as undervalue