MORGAN STANLEY
Form FWP
September 10, 2018

September 2018

Preliminary Terms No. 978

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

Dated September 10, 2018

Filed pursuant to Rule 433

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not provide for the regular payment of interest and provide a minimum payment at maturity of only 25% of the stated principal amount. Instead, the securities will pay a contingent monthly coupon **but only if** the determination closing level of **each of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF**, which we refer to as the underlyings, is **at or above** 75% of its respective initial level, which we refer to as the coupon barrier level, on the related observation date. If, however, the determination closing level of **either of the underlyings** is less than its respective coupon barrier level on any observation date, we will pay no interest for the related monthly period. Beginning after one year, the securities will be automatically redeemed if the determination closing level of each of the underlyings is **greater than or equal to** its respective initial level on any monthly redemption determination date for the early redemption payment equal to the sum of the stated principal amount plus the related contingent monthly coupon. No further payments will be made on the securities once they have been redeemed. At maturity, if the securities have not previously been redeemed and the final level of each of the underlyings is **greater than or equal to** 75% of its respective initial level, meaning that **neither** of the underlyings has declined by an amount greater than the buffer amount of 25%, the payment at maturity will be the stated principal amount and the related contingent monthly coupon. However, if the final level of **either** of the underlyings is **less than** 75% of its respective initial level, meaning that **either** of the underlyings has declined by an amount greater than the buffer amount of 25%, investors will lose 1% for every 1% decline in the final level of the worst performing underlying from its initial level beyond the buffer amount of 25%. **Accordingly, investors in the securities must be willing to accept the risk of losing up to 75% of their initial investment and also the risk of not receiving any contingent monthly**

coupons throughout the 7.5-year term of the securities. These long-dated 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 monthly interest over the entire 7.5-year term and in exchange for the possibility of an automatic early redemption prior to maturity. Because the payment of contingent monthly coupons is based on the worst performing of the underlyings, the fact that the securities are linked to two underlyings does not provide any asset diversification benefits and instead means that a decline in the level of either of the underlyings below the relevant coupon barrier level will result in no contingent monthly coupons, even if the other underlying closes at or above its respective coupon barrier level. Because all payments on the securities are based on the worst performing of the underlyings, a decline of either of the underlyings by an amount greater than the buffer amount as of the final observation date will result in a loss of your investment, even if the other underlying has appreciated or has not declined as much. Investors will not participate in any appreciation of either of the underlyings. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

SUMMARY TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlyings:	NASDAQ-100 Index® (the "NDX Index") and iShares® MSCI Emerging Markets ETF (the "EEM Shares")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security
Pricing date:	September 14, 2018
Original issue date:	September 19, 2018 (3 business days after the pricing date)
Maturity date:	March 19, 2026
Early redemption:	**The securities are not subject to automatic early redemption until approximately one year after the original issue date.** Following this initial 1-year non-call period, if, on any redemption determination date, beginning on September 16, 2019, the determination closing level of **each of the underlyings** is greater than or equal to its respective initial level, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed. **The securities will not be redeemed early on any early redemption date if the determination closing level of either of the underlyings is below its respective initial 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 monthly coupon with respect to the related observation date.
Determination closing level:	With respect to the NDX Index, the index closing value for such underlying on any redemption determination date or observation date (other than the final observation date) With respect to the EEM Shares, the closing price for such underlying on any redemption determination date or observation date (other than the final observation date) *times* the adjustment

	factor on such redemption determination date or observation date, as applicable
Redemption determination dates:	Monthly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates," subject to postponement for non-index business days, non-trading days and certain market disruption events
Early redemption dates:	Starting on September 19, 2019, monthly. 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, if payable, 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 monthly coupon:	A *contingent* monthly coupon at an annual rate of 8.55% (corresponding to approximately $7.125 per month per security) will be paid on the securities on each coupon payment date ***but only if*** the determination closing level of **each of the underlyings** is at or above its respective coupon barrier level on the related observation date. **If, on any observation date, the determination closing level of either of the underlyings is less than its respective coupon barrier level, no contingent monthly coupon will be paid with respect to that observation date. It is possible that one or both of the underlyings will remain below their respective coupon barrier levels for extended periods of time or even throughout the entire 7.5-year term of the securities so that you will receive few or no contingent monthly coupons.**
Coupon barrier level:	With respect to the NDX Index, , which is equal to 75% of its initial level With respect to the EEM Shares, $, which is equal to 75% of its initial level
Buffer amount:	With respect to each of the underlyings, 25%. As a result of the buffer amount of 25%, the level at or above which each of the underlyings must close on the final observation date so that investors do not suffer a loss on their initial investment in the securities is as follows: With respect to the NDX Index, , which is equal to 75% of its initial level With respect to the EEM Shares, $, which is equal to 75% of its initial level
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 level of **each of the underlyings** is **greater than or equal to** 75% of its respective initial level, meaning that **neither** of the underlyings has decreased by an amount greater than the buffer amount of 25% from its respective initial level: the stated principal amount and the contingent monthly coupon with respect to the final observation date · If the final level of **either of the underlyings is less than** 75% of its respective initial level, meaning that **either** of the underlyings has decreased by an amount greater than the buffer amount of 25% from its respective initial level: $1,000 + [$1,000 x (underlying percent change of the worst performing underlying + 25%)] *Under these circumstances, the payment at maturity will be less than the stated principal amount of $1,000. However, under no circumstances will the securities pay less than the minimum payment at maturity of $250 per security.* ***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 $977.50 per security, or within $20.00 of that estimate. See "Investment Summary" beginning on page 4.

Commissions and issue price:	**Price to public**	**Agent's commissions[1]**	**Proceeds to us[2]**
Per security	$1,000	$	$
Total	$	$	$

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

(2) See "Use of proceeds and hedging" on page 26.

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

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

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

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

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

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

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Principal at Risk Securities
Terms continued from previous page:

Initial level:	With respect to the NDX Index, , which is the index closing value for such underlying on the pricing date With respect to the EEM Shares, $, which is the closing price for such underlying on the pricing date
Coupon payment dates:	Monthly, 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 monthly coupon, if any, with respect to the final observation date shall be paid on the maturity date.
Observation dates:	Monthly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below, subject, independently in the case of each of the underlyings, to postponement for non-index business days, non-trading days and certain market disruption events. We also refer to March 16, 2026 as the final observation date.
Final level:	With respect to the NDX Index, the index closing value of the NDX Index on the final observation date With respect to the EEM Shares, the closing price of one EEM Share on the final observation date *times* the adjustment factor on such date
Minimum payment at maturity:	$250 per security (25% of the stated principal amount)
Adjustment factor:	With to the EEM Shares, 1.0, subject to adjustment in the event of certain events affecting the EEM Shares
Worst performing underlying:	The underlying with the larger percentage decrease from the respective initial level to the respective final level
Underlying percent change:	With respect to each underlying: (final level – initial level) / initial level
CUSIP / ISIN:	61768DEN1 / US61768DEN12
Listing:	The securities will not be listed on any securities exchange.

Observation Dates / Redemption Determination Dates	**Coupon Payment Dates / Early Redemption Dates**
October 15, 2018*	October 18, 2018*
November 14, 2018*	November 19, 2018*
December 14, 2018*	December 19, 2018*
January 14, 2019*	January 17, 2019*
February 14, 2019*	February 20, 2019*
March 14, 2019*	March 19, 2019*
April 15, 2019*	April 18, 2019*
May 14, 2019*	May 17, 2019*
June 14, 2019*	June 19, 2019*
July 15, 2019*	July 18, 2019*

August 14, 2019*	August 19, 2019*
September 16, 2019	September 19, 2019
October 14, 2019	October 17, 2019
November 14, 2019	November 19, 2019
December 16, 2019	December 19, 2019
January 14, 2020	January 17, 2020
February 14, 2020	February 20, 2020
March 16, 2020	March 19, 2020
April 14, 2020	April 17, 2020
May 14, 2020	May 19, 2020
June 15, 2020	June 18, 2020
July 14, 2020	July 17, 2020
August 14, 2020	August 19, 2020
September 14, 2020	September 17, 2020
October 14, 2020	October 19, 2020
November 16, 2020	November 19, 2020
December 14, 2020	December 17, 2020
January 14, 2021	January 20, 2021
February 16, 2021	February 19, 2021
March 15, 2021	March 18, 2021
April 14, 2021	April 19, 2021
May 14, 2021	May 19, 2021
June 14, 2021	June 17, 2021
July 14, 2021	July 19, 2021
August 16, 2021	August 19, 2021
September 14, 2021	September 17, 2021
October 14, 2021	October 19, 2021
November 15, 2021	November 18, 2021
December 14, 2021	December 17, 2021
January 14, 2022	January 20, 2022
February 14, 2022	February 17, 2022
March 14, 2022	March 17, 2022
April 14, 2022	April 20, 2022
May 16, 2022	May 19, 2022
June 14, 2022	June 17, 2022
July 14, 2022	July 19, 2022
August 15, 2022	August 18, 2022
September 14, 2022	September 19, 2022
October 14, 2022	October 19, 2022
November 14, 2022	November 17, 2022
December 14, 2022	December 19, 2022
January 17, 2023	January 20, 2023
February 14, 2023	February 17, 2023
March 14, 2023	March 17, 2023

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Principal at Risk Securities

April 14, 2023	April 19, 2023
May 15, 2023	May 18, 2023
June 14, 2023	June 19, 2023
July 14, 2023	July 19, 2023
August 14, 2023	August 17, 2023
September 14, 2023	September 19, 2023
October 16, 2023	October 19, 2023
November 14, 2023	November 17, 2023
December 14, 2023	December 19, 2023
January 16, 2024	January 19, 2024
February 14, 2024	February 20, 2024
March 14, 2024	March 19, 2024
April 15, 2024	April 18, 2024
May 14, 2024	May 17, 2024
June 14, 2024	June 19, 2024
July 15, 2024	July 18, 2024
August 14, 2024	August 19, 2024
September 16, 2024	September 19, 2024
October 14, 2024	October 17, 2024
November 14, 2024	November 19, 2024
December 16, 2024	December 19, 2024
January 14, 2025	January 17, 2025
February 14, 2025	February 20, 2025
March 14, 2025	March 19, 2025
April 14, 2025	April 17, 2025
May 14, 2025	May 19, 2025
June 16, 2025	June 19, 2025
July 14, 2025	July 17, 2025
August 14, 2025	August 19, 2025
September 15, 2025	September 18, 2025
October 14, 2025	October 17, 2025
November 14, 2025	November 19, 2025
December 15, 2025	December 18, 2025
January 14, 2026	January 20, 2026
February 17, 2026	February 20, 2026
March 16, 2026 (final observation date)	March 19, 2026 (maturity date)

*The securities are not subject to automatic early redemption until the twelfth coupon payment date, which is September 19, 2019.

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Principal at Risk Securities
Investment Summary

Contingent Income Buffered Auto-Callable Securities

Principal at Risk Securities

Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF (the "securities") do not provide for the regular payment of interest. Instead, the securities will pay a contingent monthly coupon **but only if** the determination closing level of **each of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF**, which we refer to as the underlyings, is **at or above** 75% of its respective initial level, which we refer to as the coupon barrier level, on the related observation date. If, however, the determination closing level of **either of the underlyings** is less than its respective coupon barrier level on any observation date, we will pay no interest for the related monthly period. Beginning after one year, the securities will be automatically redeemed if the determination closing level of each of the underlyings is **greater than or equal to** its respective initial level on any monthly redemption determination date for the early redemption payment equal to the sum of the stated principal amount plus the related contingent monthly coupon. No further payments will be made on the securities once they have been redeemed. At maturity, if the securities have not previously been redeemed and the final level of each of the underlyings is **greater than or equal to** 75% of its respective initial level, meaning that **neither** of the underlyings has declined by an amount greater than the buffer amount of 25%, the payment at maturity will be the stated principal amount and the related contingent monthly coupon. However, if the final level of **either** of the underlyings **is less than** 75% of its respective initial level, meaning that **either** of the underlyings has declined by an amount greater than the buffer amount of 25%, investors will lose 1% for every 1% decline in the final level of the worst performing underlying from its initial level beyond the buffer amount of 25%. **Accordingly, investors in the securities must be willing to accept the risk of losing up to 75% of their initial investment and also the risk of not receiving any contingent monthly coupons throughout the 7.5-year term of the securities.** Investors will not participate in any appreciation of either underlying.

Maturity:	7.5 years
Contingent monthly coupon:	A *contingent* monthly coupon at an annual rate of 8.55% (corresponding to approximately $7.125 per month per security) will be paid on the securities on each coupon payment date **but only if** the determination closing level of **each of the underlyings** is at or above its respective coupon barrier level on the related observation date.

If on any observation date, the determination closing level of either of the underlyings is less than its respective coupon barrier level, we will pay no coupon for the applicable monthly period.

Automatic early redemption monthly starting after one year:	The securities are not subject to automatic early redemption until approximately one year after the original issue date. Following this initial 1-year non-call period, if the determination closing level of **each of the underlyings** is greater than or equal to its respective initial level on any monthly redemption determination date, beginning on September 16, 2019, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent monthly coupon with respect to the related observation date. No further payments will be made on the securities once they have been redeemed. If the securities have not previously been redeemed and the final level of **each of the underlyings** is **greater than or equal to** 75% of its respective initial level, meaning that **neither** of the underlyings has declined by an amount greater than the buffer amount of 25%, the payment at maturity will be the stated principal amount and the related contingent monthly coupon.
Payment at maturity:	If the final level of **either** of the underlyings is **less than** 75% of its respective initial level, meaning that **either** of the underlyings has declined by an amount greater than the buffer amount of 25%, investors will lose 1% for every 1% decline in the final level of the worst performing underlying from its initial level beyond the buffer amount of 25%. Under these circumstances, the payment at maturity will be less than the stated principal amount of the securities. *However, under no circumstances will the securities pay less than the minimum payment at maturity of $250 per security* **Accordingly, investors in the securities must**

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Principal at Risk Securities
be willing to accept the risk of losing up to 75% of their initial investment.

September 2018 Page 5

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

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 $977.50, or within $20.00 of that estimate. Our estimate of the value of the securities as determined on the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

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

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the contingent monthly coupon rate, the coupon barrier levels and the buffer amount, 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 underlyings, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 12 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlyings, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

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

September 2018 Page 6

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

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 monthly coupon **but only if** the determination closing level of **each of the underlyings** is **at or above its respective coupon barrier 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 7.5 year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if both of the underlyings close at or above their respective coupon barrier levels on each monthly 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 monthly coupon may be payable in none of, or some but not all of, the monthly periods during the 7.5 year term of the securities, and the payment at maturity may be up to 75% less than the stated principal amount of the securities.

Scenario 1: The securities are redeemed prior to maturity	This scenario assumes that, prior to early redemption, each of the underlyings closes at or above its respective coupon barrier level on some monthly observation dates, but one or both of the underlyings close below the coupon barrier level(s) on the others. Investors receive the contingent monthly coupon for the monthly periods for which the determination closing level of each of the underlyings is at or above its respective coupon barrier level on the related observation date, but not for the monthly periods for which the determination closing level of either of the underlyings is below the respective coupon barrier level(s) on the related observation date. Beginning after one year, when each of the underlyings closes at or above its respective initial level on a monthly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the contingent monthly coupon with respect to the related observation date.
Scenario 2: The securities are not redeemed prior to maturity, and investors receive principal back at maturity	This scenario assumes that each of the underlyings closes at or above its respective coupon barrier level on some monthly observation dates, but one or both of the underlyings close below the respective coupon barrier level(s) on the others, and at least one of the underlyings closes below its initial level on every monthly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent monthly coupon for the monthly periods for which the determination closing level of each of the underlyings is at or above its respective coupon barrier level on the related observation date, but not for the monthly periods for which the determination closing level of one or both of the underlyings is below the respective coupon barrier level(s) on the related observation date. On the final observation date, each of the underlyings

closes at or above 75% of its respective initial level, meaning that neither of the underlyings has declined by an amount greater than the buffer amount of 25%. At maturity investors will receive the stated principal amount and the related contingent monthly coupon.

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Principal at Risk Securities

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a loss of principal at maturity	This scenario assumes that each of the underlyings closes at or above its respective coupon barrier level on some monthly observation dates, but one or both of the underlyings close below the respective coupon barrier level(s) on the others, and at least one of the underlyings closes below its initial level on every monthly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent monthly coupon for the monthly periods for which the determination closing level of each of the underlyings is greater than or equal to its respective coupon barrier level on the related observation date, but not for the monthly periods for which the determination closing level of one or both of the underlyings is below the respective coupon barrier level(s) on the related observation date. On the final observation date, at least one of the underlyings closes below 75% of its respective initial level, meaning that such underlying has declined by an amount greater than the buffer amount of 25%. At maturity, investors will lose 1% for every 1% decline in the final level of the worst performing underlying from its initial level beyond the buffer amount of 25%. Under these circumstances, the payment at maturity will be less than the stated principal amount. Investors may lose up to 75% of their investment in the securities. No coupon will be paid at maturity in this scenario.

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF

Principal at Risk Securities
Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent monthly coupon is paid with respect to an observation date and how to calculate the payment at maturity, assuming the securities are not redeemed prior to maturity. The following examples are for illustrative purposes only. Whether you receive a contingent monthly coupon will be determined by reference to the determination closing level of each of the underlyings on each monthly observation date, and the amount you will receive at maturity will be determined by reference to the final level of each of the underlyings on the final observation date. The actual initial level and coupon barrier level for each of the underlyings will be determined on the pricing date. All payments on the securities are subject to our credit risk. The below examples are based on the following terms:

Hypothetical Contingent Monthly Coupon:	8.55% per annum (corresponding to approximately $7.125 per month per security)[1] **With respect to each coupon payment date, a contingent monthly coupon is paid but only if the determination closing level of each of the underlyings is at or above its respective coupon barrier level on the related observation date.**
Payment at Maturity (if the securities are not redeemed prior to maturity):	If the final level of **each** of the underlyings is **greater than or equal to** 75% of its respective initial level: the stated principal amount and the contingent monthly coupon with respect to the final observation date. If the final level of **either** of the underlyings is **less than** 75% of its respective initial share price: $1,000 + [$1,000 x (underlying percent change of the worst performing underlying + 25%)]
Stated Principal Amount:	$1,000
Minimum Payment at Maturity:	$250 per security
Hypothetical Initial Level:	With respect to the NDX Index: 7,400 With respect to the EEM Shares: $45.00
Hypothetical Coupon Barrier Level:	With respect to the NDX Index: 5,550, which is 75% of its hypothetical initial level

	With respect to the EEM Shares: $33.75, which is 75% of its hypothetical initial level
Buffer Amount:	With respect to each of the underlyings: 25%

[1] The actual contingent monthly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 day-count basis. The hypothetical contingent monthly coupon of $7.125 is used in these examples for ease of analysis.

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

	Determination Closing Level		Hypothetical Contingent Monthly Coupon
	NDX Index	EEM Shares	
Hypothetical Observation Date 1	6,400 (**at or above** its coupon barrier level)	$40.00 (**at or above** its coupon barrier level)	$7.125
Hypothetical Observation Date 2	6,200 (**at or above** its coupon barrier level)	$30.00 (**below** its coupon barrier level)	$0
Hypothetical Observation Date 3	4,500 (**below** its coupon barrier level)	$42.00 (**at or above** its coupon barrier level)	$0
Hypothetical Observation Date 4	3,900 (**below** its coupon barrier level)	$10.00 (**below** its coupon barrier level)	$0

On hypothetical observation date 1, each of the underlyings closes at or above its respective coupon barrier level. Therefore, a hypothetical contingent monthly coupon of $7.125 is paid on the relevant coupon payment date.

Morgan Stanley Finance LLC
Contingent Income Buffered Auto-Callable Securities due March 19, 2026, With 1-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the NASDAQ-100 Index® and the iShares® MSCI Emerging Markets ETF