MORGAN STANLEY
Form FWP
March 04, 2019

March 2019

Preliminary Terms No. 1,679
Registration Statement Nos. 333-221595; 333-221595-01
Dated March 4, 2019
Filed pursuant to Rule 433

Morgan Stanley Finance LLC

STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

Fixed Income Auto-Callable Securities due July 2, 2020, With 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index and the S&P 500® Index

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 guarantee the repayment of principal. Instead, the securities offer the opportunity for investors to earn a fixed monthly coupon at an annual rate of 6.50% to 8.50% (to be determined on the pricing date). In addition, the securities will be automatically redeemed if the index closing value **of each** underlying index is greater than or equal to its respective initial index value on any of the three quarterly redemption determination dates (beginning approximately six months after the original issue date) for the early redemption payment equal to the sum of the stated principal amount plus the related monthly coupon. At maturity, if the securities have not previously been redeemed and the index closing value of each underlying index has remained greater than or equal to 70% of the respective initial index value, which we refer to as the downside threshold level, on **each index business day** during the term of the securities, the payment at maturity will be the stated principal amount and the related monthly coupon. If, however, the index closing value of **either** underlying index is less than its respective downside threshold level on **any index business day** during the term of the securities, a trigger event will have occurred and investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis and, if the final index value of **either** underlying index is less than its initial index value, investors will receive a payment at maturity that is less than the stated principal amount of the securities and could be zero. **Accordingly, investors could lose their entire initial investment in the securities.** The securities are for investors who are willing to risk their principal and seek to earn interest at a potentially above-market rate in exchange for the risk of losing some or all of their investment, and the possibility of an automatic early redemption prior to maturity. Investors will not participate in any appreciation of either underlying index. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

SUMMARY TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying indices:	Russell 2000® Index (the "RTY Index") and S&P 500® Index (the "SPX Index")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security
Pricing date:	March 29, 2019
Original issue date:	April 3, 2019 (3 business days after the pricing date)
Maturity date:	July 2, 2020
Early redemption:	The securities are not subject to automatic early redemption until six months after the original issue date. Following this initial 6-month non-call period, if, on any of the three redemption determination dates, beginning on September 30, 2019, the index closing value of each underlying index is **greater than or equal to** its respective initial index value, 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 index closing value of either underlying index is below the respective initial index value for such underlying index 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 monthly coupon for the related interest period.
Monthly coupon:	Unless the securities have been previously redeemed, a fixed coupon at an annual rate of 6.50% to 8.50% **(corresponding to approximately $5.4167 to $7.0833 per month per security, to be determined on the pricing date)** will be paid on the securities on each coupon payment date
Trigger event:	A trigger event occurs if, on any index business day from but excluding the pricing date to and including the final observation date, the closing level of **either** underlying index is less than its respective downside threshold level. If a trigger

Payment at maturity:	event occurs on **any index business day** during the term of the securities, you will be exposed to the downside performance of the worst performing underlying index at maturity. At maturity, investors will receive, in addition to the final monthly coupon payment, a payment at maturity determined as follows: **If a trigger event HAS NOT occurred on any index business day from but excluding the pricing date to and including the final observation date**: the stated principal amount **If a trigger event HAS occurred on any index business day from but excluding the pricing date to and including the final observation date:** (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index, subject to a maximum payment at maturity of the stated principal amount. If a trigger event occurs and the final index value of **either** underlying index is less than its initial index value, the payment at maturity will be less than the stated principal amount of the securities and could be zero. Under no circumstances will investors participate in any appreciation of either underlying index. ***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 $979.60 per security, or within $15.00 of that estimate. See "Investment Summary" beginning on page 3.

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

(1) *The securities will be sold only to investors purchasing the securities in fee-based advisory accounts.*

(2) MS & Co. expects to sell all of the securities that it purchases from us to an unaffiliated dealer at a price of $ per security, for further sale to certain fee-based advisory accounts at the price to public of $1,000 per security. MS & Co. will not receive a sales commission with respect to the securities. 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.

(3) See “Use of proceeds and hedging” on page 27.

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 10.

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

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

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

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

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

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Principal at Risk Securities

Terms continued from previous page:

Redemption determination dates:	Beginning after six months, quarterly, on September 30, 2019, December 30, 2019 and March 30, 2020, subject to postponement for non-index business days and certain market disruption events.
Early redemption dates:	Beginning after six months, quarterly, on October 3, 2019, January 3, 2020 and April 2, 2020. 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.
Downside threshold level:	With respect to the RTY Index: , which is 70% of its initial index value With respect to the SPX Index: , which is 70% of its initial index value
Initial index value:	With respect to the RTY Index: , which is its index closing value on the pricing date With respect to the SPX Index: , which is its index closing value on the pricing date
Final index value:	With respect to each index, the respective index closing value on the final observation date
Worst performing underlying index:	The underlying index with the larger percentage decrease from the respective initial index value to the respective final index value
Index performance factor:	Final index value *divided by* the initial index value
Coupon payment dates:	Monthly, on the 2nd day of each month, beginning May 2, 2019; *provided* that if any such day is not a business day, that monthly coupon will be paid 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 monthly coupon with respect to the final observation date will be paid on the maturity date
Final observation date:	June 29, 2020, subject to postponement for non-index business days and certain market disruption events.
CUSIP / ISIN:	61768DX67 / US61768DX673
Listing:	The securities will not be listed on any securities exchange.

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Principal at Risk Securities

Investment Summary

Fixed Income Auto-Callable Securities

Principal at Risk Securities

Fixed Income Auto-Callable Securities due July 2, 2020, With 6-month Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index and the S&P 500® Index (the "securities") do not guarantee the repayment of principal. Instead, the securities offer the opportunity for investors to earn a fixed monthly coupon at an annual rate of 6.50% to 8.50% (to be determined on the pricing date). In addition, the securities will be automatically redeemed if the index closing value **of each** underlying index is greater than or equal to its respective initial index value on any of the three quarterly redemption determination dates for the early redemption payment equal to the sum of the stated principal amount plus the related monthly coupon. At maturity, if the securities have not been automatically called prior to maturity and the index closing value of either underlying index is less than 70% of the respective initial index value, which we refer to as the downside threshold level, on **any index business day** during the term of the securities, a trigger event will have occurred and investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis and, if the final index value of **either** underlying index is less than its initial index value, investors will receive a payment at maturity that is less than the stated principal amount of the securities and could be zero. Investors will not participate in any appreciation of either underlying index. **Accordingly, investors could lose their entire initial investment in the securities.**

Maturity:	Approximately 1 year and 3 months
Monthly coupon:	A monthly coupon at an annual rate of 6.50% to 8.50% (corresponding to approximately $5.4167 to $7.0833 per month per security, to be determined on the pricing date) will be paid on the securities on each coupon payment date**.**
Automatic early redemption (beginning after six months)::	If the index closing value of **each** underlying index is greater than or equal to its initial index value on any of the three quarterly redemption determination dates, beginning on September 30, 2019 (approximately six months after the original issue date), the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount plus the monthly coupon with respect to the related interest period.
Trigger event:	A trigger event occurs if, on any index business day from but excluding the pricing date to and including the final observation date, the closing level of **either** underlying index is less than its respective downside threshold level. If a trigger event occurs on **any index business day** during

the term of the securities, investors will be exposed to the downside performance of the worst performing underlying index at maturity.

At maturity, investors will receive, in addition to the final monthly coupon payment, a payment at maturity determined as follows:

Payment at maturity:

If a trigger event HAS NOT occurred on any index business day from but excluding the pricing date to and including the final observation date, investors will receive at maturity the stated principal amount.

If a trigger event HAS occurred on any index business day from but excluding the pricing date to and including the final observation date, investors will receive a payment at maturity equal to: (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index, subject to a maximum payment at maturity of the stated principal amount.

If a trigger event occurs and the final index value of **either** underlying index is less than its initial index value, the payment at maturity will be less than the stated principal amount of the securities and could be zero.

Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment. Investors will not participate in any appreciation of either underlying index.

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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 $979.60, or within $15.00 of that estimate. Our estimate of the value of the securities as determined on the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

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

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the monthly 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 of the economic terms of the securities would be more favorable to you.

What is the relationship between the estimated value on the pricing date and the secondary market price of the securities?

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors.

However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 5 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

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 offer investors an opportunity to earn a fixed monthly coupon at an annual rate of 6.50% to 8.50% (to be determined on the pricing date). The securities have been designed for investors who are willing to risk their principal and seek to earn interest at a potentially above-market rate in exchange for the risk of losing some or all of their investment, and the possibility of an automatic early redemption prior to maturity. The following scenarios are for illustrative purposes only to demonstrate how the early redemption payment or payment at maturity (if the securities have not previously been redeemed) is calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed and the payment at maturity may be less than the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity	Starting on September 30, 2019, when each underlying index closes at or above its initial index value on a quarterly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the monthly coupon with respect to the related interest period. No further payments will be made on the securities once they have been redeemed. Investors will not participate in any appreciation of any underlying.
Scenario 2: The securities are not redeemed prior to maturity and investors receive principal back at maturity	This scenario assumes that a trigger event has not occurred, as each underlying index has closed at or above the respective downside threshold level on each index business day during the term of the securities. In addition, either underlying index closes below the respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed. Because a trigger event has not occurred on any index business day during the term of the securities, at maturity, investors will receive the stated principal amount and the fixed monthly coupon for the related interest period. Investors will not participate in any appreciation of any underlying.
Scenario 3: The securities are not redeemed prior to maturity, a trigger event occurs on any index business day during the term of the securities and investors suffer a loss of principal at maturity	This scenario assumes that one or both of the underlying indices have closed below their respective downside threshold levels on any index business day during the term of the securities and either underlying index closes below the respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed and a trigger event will have occurred. On the final observation date, one or both underlying indices close below the initial index value(s). At maturity, in addition to the final monthly coupon, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than the stated principal amount and could be zero.

If a trigger event occurs on **any** index business day during the term of the securities, investors will have full downside exposure to the worst performing underlying index at maturity. Under these circumstances, if the final index value of **either** underlying index is less than its respective initial index value, investors will lose some or all of their investment in the securities.

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How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the index closing values on each quarterly redemption determination date and (2) the final index values. Please see "Hypothetical Examples" beginning on page 7 for illustration of hypothetical payouts on the securities.

Diagram #1: Automatic Early Redemption (Beginning Approximately Six Months After the Original Issue Date)

Diagram #2: 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" starting on page 7.

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Hypothetical Examples

The following hypothetical examples illustrate how to determine the payment at maturity if the securities have not been automatically redeemed early. The following examples are for illustrative purposes only. Whether the securities are redeemed early will be determined by reference to the index closing value of each underlying index on each quarterly redemption determination date, and the payment at maturity, if any, will be determined by reference to the index closing value of each underlying index throughout the term of the securities. The actual initial index value and downside threshold level for each underlying index will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The numbers in the hypothetical examples below may have been rounded for the ease of analysis. The below examples are based on the following terms:

Monthly Coupon:	7.50% per annum (corresponding to approximately $6.25 per month per security, the midpoint of the range set forth on the cover of this document)*
Automatic Early Redemption:	If the index closing value of **each** underlying index is greater than or equal to its initial index value on any of the three quarterly redemption determination dates (beginning approximately six months after the original issue date), the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount plus the monthly coupon for the related interest period. No further payments will be made on the securities once they have been redeemed. Additionally, investors will not participate in any appreciation of any underlying index. **The securities will not be redeemed early on any early redemption date if the index closing value of either underlying index is below the respective initial index value for such underlying index on the related redemption determination date.**
Trigger Event:	A trigger event occurs if, on any index business day from but excluding the pricing date to and including the final observation date, the closing level of **either** underlying index is less than its respective downside threshold level. If a trigger event occurs on **any index**

	business day during the term of the securities, investors will be exposed to the downside performance of the worst performing underlying index at maturity. At maturity, investors will receive, in addition to the final monthly coupon payment, a payment at maturity determined as follows: **If a trigger event HAS NOT occurred on any index business day from but excluding the pricing date to and including the final observation date**: the stated principal amount **If a trigger event HAS occurred on any index business day from but excluding the pricing date to and including the final observation date:** (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index, subject to a maximum payment at maturity of the stated principal amount.
Payment at Maturity (if the securities have not been automatically redeemed early):	If a trigger event occurs and the final index value of **either** underlying index is less than its initial index value, the payment at maturity will be less than the stated principal amount of the securities and could be zero. Under no circumstances will investors participate in any appreciation of either underlying index.
Stated Principal Amount:	$1,000
Hypothetical Initial Index Value:	With respect to the RTY Index: 1,200 With respect to the SPX Index: 2,500
Hypothetical Downside Threshold Level:	With respect to the RTY Index: 840, which is 70% of the hypothetical initial index value for such index With respect to the SPX Index: 1,750, which is 70% of the hypothetical initial index value for such index

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* The actual monthly coupon will be an amount determined by the calculation agent based on the actual monthly coupon rate and the number of days in the applicable payment period, calculated on a 30/360 basis. The hypothetical monthly coupon of $6.25 is used in these examples for ease of analysis.

How to calculate the payment at maturity (if the securities have not been automatically redeemed early):

Example 1: A trigger event HAS NOT occurred.

Final Index Value		RTY Index: 1,800 SPX Index: 3,000
Payment at Maturity	=	$1,000.00 + $6.25 (monthly coupon for the final interest period)
	=	$1,006.25

In example 1, the index closing values of both the RTY Index and SPX Index are at or above their respective downside threshold levels on **each index business day** during the term of the securities. Therefore, a trigger event has not occurred and investors receive at maturity the stated principal amount of the securities and the monthly coupon with respect to the final interest period. However, investors do not participate in any appreciation of either underlying index.

Example 2: A trigger event HAS occurred.

Final Index Value		RTY Index: 600 SPX Index: 3,000
Payment at Maturity	=	$6.25 (monthly coupon for the final interest period) + [$1,000 x index performance factor of the worst performing underlying index, subject to a maximum of the stated principal amount]

=$6.25 + [$1,000 x (600 / 1,200)]
=$506.25

In example 2, the index closing value of one underlying index is at or above its downside threshold level on each index business day during the term of the securities, but the index closing value of the other underlying index is below its downside threshold level on one or more index business days during the term of the securities. Because a trigger event has occurred, investors are exposed to the downside performance of the worst performing underlying index at maturity, even though one of the underlying indices has appreciated. The payment at maturity is an amount equal to the monthly coupon with respect to the final interest period *plus* (i) the stated principal amount *times* (ii) the index performance factor of the worst performing underlying index.

Example 3: A trigger event HAS occurred.

Final Index Value	RTY Index: 600 SPX Index: 1,000
Payment at Maturity	=$1,000 x index performance factor of the worst performing underlying index
	= $6.25 + $1,000 x (1,000 / 2,500) = $400
	=$406.25

In example 3, the index closing values of both the RTY Index and SPX Index are below the respective downside threshold levels on one or more index business days during the term of the securities. Therefore, a trigger event has occurred, and investors are exposed to the downside performance of the worst performing underlying index at maturity. The payment at maturity is an amount equal to the monthly coupon for the final interest period plus the (i) stated principal amount *times* the index performance factor of the worst performing underlying index.

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If a trigger event occurs on any index business day during the term of the securities, investors will have full downside exposure to the worst performing underlying index at maturity. Under these circumstances, if the final index value of either underlying index is less than its respective initial index value, investors will lose some or all of their investment in the securities.

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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, index supplement and prospectus. We also urge you to consult with your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

§ The securities do not 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 repayment of any principal. If the securities have not been automatically redeemed prior to maturity and the index closing value of **either** underlying index is less than its respective downside threshold level on **any index business day** during the term of the securities, a trigger event will have occurred and you will be exposed to the decline in the closing value of the worst performing underlying index, as compared to its initial index value, on a 1-to-1 basis at maturity. If a trigger event occurs on any index business day during the term of the securities, investors will have full downside exposure to the worst performing underlying index at maturity. Under these circumstances, if the final index value of either underlying index is less than its respective initial index value, investors will lose some or all of their investment in the securities. In this case, you will receive for each security that you hold at maturity an amount equal to the stated principal amount times the index performance factor of the worst performing underlying index, and **the payment at maturity will be less than the stated principal amount and could be zero.**

§ You are exposed to the price risk of both underlying indices, with respect to the payment at maturity, if any. Your return on the securities is not linked to a basket consisting of both underlying indices. Rather, it will be contingent upon the independent performance of each underlying index. Unlike an instrument with a return linked to a basket of underlying assets in which risk is mitigated and diversified among all the components of the basket, you will be exposed to the risks related to both underlying indices. Poor performance by **either** underlying index over the term of the securities will negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying index. If the securities have not been automatically redeemed early and the index closing value of **either** underlying index is less than its respective downside threshold level on any index business day during the term of the securities, a trigger event will have occurred and you will be fully exposed to the decline in the worst performing underlying index over the term of the securities on a 1-to-1 basis, even if the other underlying index has appreciated or has not declined as much, and even if the worst performing underlying index is not the underlying index that originally caused the occurrence of the trigger event. Under this scenario, the value of any such payment will be less than the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of both underlying indices.

§ **Because the securities are linked to the performance of the worst performing underlying index, you are exposed to a greater risk of sustaining a loss on your investment than if the securities were linked to just one index.** The risk that you will suffer a loss on your investment is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one underlying index. With two underlying indices, it is more likely that either underlying index will close below its downside threshold level on any index business day during the term of the securities, which would constitute a trigger event, than if the securities were linked to only one underlying index. Therefore, it is more likely that you will suffer a loss on your investment. In addition, because each underlying index must close above its initial index value on a quarterly determination date in order for the securities to be called prior to maturity, the securities are less likely to be called on any redemption determination date than if the securities were linked to just one underlying index.

§ **Investors will not participate in any appreciation in either underlying index.** Regardless of whether or not a trigger event occurs, investors will not participate in any appreciation in either underlying index from the initial index value for such index, and the return on the securities will be limited to the monthly coupon that is paid for each interest period until early redemption or maturity.

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

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downside threshold level, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

- the volatility (frequency and magnitude of changes in value) of the underlying indices,
- whether a trigger event has occurred on any index business day during the term of the securities,
- geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying indices or securities markets generally and which may affect the value of each underlying index,
- dividend rates on the securities underlying the underlying indices,
- the time remaining until the securities mature,
- interest and yield rates in the market,
- the availability of comparable instruments,
- the composition of the underlying indices and changes in the constituent stocks of such indices, and
- 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. In particular, if either underlying index has closed near or below its downside threshold level, the market value of the securities is expected to decrease substantially, and you may have to sell your securities at a substantial discount from the stated principal amount of $1,000 per security.

You cannot predict the future performance of either underlying index based on its historical performance. The value of either underlying index may decrease and may close below the respective downside threshold level(s) on any index business day during the term of the securities so that you are exposed to the negative performance of the worst performing underlying index at maturity. There can be no assurance that the index closing value of each underlying index will be at or above its respective downside threshold level on each index business day during the term of the securities so that you do not suffer a loss on your initial investment in the securities. See "Russell 2000® Index Overview" and "S&P 500® Index 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 at maturity, upon early redemption or on any coupon payment date, 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.

§ **The securities are linked to the Russell 2000® Index and are subject to risks associated with small-capitalization companies.** As the Russell 2000® Index is one of the underlying indices, and the Russell 2000® Index consists of stocks issued by companies with relatively small market capitalization, the securities are linked to the value of small-capitalization companies. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies and therefore the Russell 2000® Index may be more volatile than indices that consist of stocks issued by large-capitalization companies. Stock prices of small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded. In addition, small capitalization companies are typically less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.

§ **Not equivalent to investing in the underlying indices.** Investing in the securities is not equivalent to investing in either underlying index or the component stocks of either underlying index. Investors in the securities will not participate in any positive performance of either underlying index, and will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to stocks that constitute either underlying index.

§ 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 monthly coupons and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns. However, under no circumstances will the securities be redeemed in the first six months of the term of the securities.

§ **The securities will not be listed on any securities exchange and secondary trading may be limited. Accordingly, you should be willing to hold your securities for the entire 1.25-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 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 issuing, selling, structuring and hedging the securities in the original issue price reduce the economic terms of the securities, cause the estimated value of the securities 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 securities 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 securities in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the securities less favorable to you than they otherwise would be.

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 5 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that those higher values will also be reflected in your brokerage account statements.

§ **The estimated value of the securities is determined by reference to our pricing and valuation models, which may differ from those of other dealers and is not a maximum or minimum secondary market price.** These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of securities, our models may yield a higher estimated value of the securities than those generated by others, including other dealers in the market, if they attempted to value the securities. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which dealers, including MS & Co., would be willing to purchase your notes in the secondary market (if any exists) at any time. The value of your securities at any time after the date of this pricing supplement will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions. See also "The market price will be influenced by many unpredictable factors" above.

§ **Hedging and trading activity by our affiliates could potentially affect the value of the securities.** One or more of our affiliates and/or third-party dealers expect to carry out hedging activities related to the securities (and to other instruments linked to the underlying indices or their component stocks), including trading in the stocks that constitute the underlying indices as well as in other instruments related to the underlying indices. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. Some of our affiliates also trade the stocks that constitute the underlying indices and other financial instruments related to the underlying indices on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could potentially increase the initial index value of an underlying index, and, therefore, could increase (i) the value at or above which such underlying index must close on the redemption determination dates so that the securities are redeemed prior to maturity for the early redemption payment (depending also on the performance of the other underlying index) and (ii) the downside threshold level for such underlying index, which is the value at or above which such underlying index must close on each index business day during the term of the securities so that you are not exposed to the negative performance of the worst performing underlying index at maturity (depending also on the performance of the other underlying index). Additionally, such hedging or trading activities during the term of the securities could affect the value of an underlying index throughout the term of the securities, and, accordingly, whether we redeem the securities prior to maturity and the amount of cash you receive at maturity, if any (depending also on the performance of the other underlying index).

§ **The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities.** As calculation agent, MS & Co. will determine the initial index value and the downside threshold level for each underlying index, whether the securities will be redeemed on any early redemption date, whether a trigger event has occurred and the payment at maturity, if any. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events and the selection of a successor index or calculation of the index closing value in the event of a market disruption event or discontinuance of an underlying index. These potentially subjective determinations may adversely affect the payout to you at maturity, if any. For further information regarding these types of determinations, see "Description of Auto-Callable Securities—Postponement of Determination Dates," "—Alternate Exchange Calculation in Case of an Event of Default," "—Discontinuance of Any Underlying Index; Alteration of Method of Calculation" and "—Calculation Agent and Calculations" in the accompanying product supplement. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

§ **Adjustments to the underlying indices could adversely affect the value of the securities.** The publisher of each underlying index may add, delete or substitute the component stocks of such underlying index or make other methodological changes that could change the value of such underlying index. Any of these actions could adversely affect the value of the securities. The publisher of each underlying index may also discontinue or suspend calculation or publication of such underlying index at any time. In these circumstances, MS & Co., as the calculation agent, will have the sole discretion to substitute a successor index that is comparable to the discontinued index. MS & Co. could have an economic interest that is different than that of investors in the securities insofar as, for example, MS & Co. is permitted to consider indices that are calculated and published by MS & Co. or any of its affiliates. If MS & Co. determines that there is no appropriate successor index on any relevant date of calculation, the determination of the amount payable at maturity, will be based on the value of such underlying index, based on the closing prices of the stocks constituting such underlying index at the time of such discontinuance, without rebalancing or substitution, computed by MS & Co. as calculation agent in accordance