MORGAN STANLEY
Form 424B2
October 30, 2018

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*Amount of Registration Fee*
Callable Buffered Range Accrual Securities due 2026	$5,000,000	$606.00

October 2018

Pricing Supplement No. 1,050

Registration Statement Nos. 333-221595; 333-221595-01
Dated October 26, 2018
Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Callable Buffered Range Accrual Securities due April 30, 2026
All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

Unlike ordinary debt securities, the Callable Buffered Range Accrual Securities due April 30, 2026, All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index, which we refer to as the securities, do not provide for the regular payment of interest and provide for the minimum return of only 20% of the stated principal amount at maturity. The securities offer the opportunity for investors to earn a contingent monthly coupon, if any, based on the number of index business days in the relevant coupon payment period on which the index closing value of the S&P 500® Index is greater than or equal to 80% of the initial index value, which we refer to as the barrier level. If the index closing value remains below the barrier level for extended periods of time, investors will receive reduced contingent monthly coupon payments or no contingent monthly coupon payments at all. As a result, investors must be willing to accept the risk of not receiving any contingent monthly coupon during the entire 7.5-year term of the securities. In addition, beginning on October 31, 2019, **we will have the right to redeem the securities at our discretion on any monthly redemption date** for a redemption payment equal to the sum of the stated principal amount plus any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period. An early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlying index. At maturity, if the securities have not previously been redeemed and the final index value is greater than or equal to the barrier level, investors will receive the stated principal amount of the securities and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period. However, if the final index value is less than the barrier level, investors will lose 1% for every 1% decline in the final index value from the initial index value beyond the buffer amount of 20%, in addition to any accrued and unpaid contingent monthly coupon. **Accordingly, investors may lose up to 80% of their entire initial investment in the securities.** Investors will not participate in any appreciation of the S&P 500® Index. These long-dated securities are for investors who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of losing some or a substantial portion of their principal and the risk of receiving reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, if the S&P 500® Index remains below the barrier level for extended periods of time, and the risk of an early redemption of the securities at our discretion. The securities are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities are issued as part of MSFL's Series A Global Medium-Term Notes program.

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

FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying index:	S&P 500® Index
Aggregate principal amount:	$5,000,000
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Pricing date:	October 26, 2018
Original issue date:	October 31, 2018 (3 business days after the pricing date)
Maturity date:	April 30, 2026
Optional early redemption:	Beginning on October 31, 2019, we will have the right to redeem the securities, **at our discretion**, in whole but not in part, on any monthly redemption date for the redemption payment. If we decide to redeem the securities, we will give you notice at least 3 business days before the redemption date specified in the notice. No further payments will be made on the securities once they have been redeemed.
Redemption payment:	The redemption payment will be an amount equal to (i) the stated principal amount *plus* (ii) any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period.
Redemption dates:	Beginning on October 31, 2019, monthly. See "Coupon Observation Period End-Dates, Contingent Coupon Payment Dates and Redemption Dates" below. If any such day is not a business day, that redemption payment, if payable, will be made on the next succeeding business day and no adjustment will be made to any redemption payment made on that succeeding business day.
Contingent monthly coupon:	Unless the securities are previously redeemed, the contingent monthly coupon payable on the securities will be determined as follows: At a rate of 5.80% per annum *times* N/ACT

where:

- "N" = the total number of index business days in the applicable coupon payment period on which the index closing value is greater than or equal to the barrier level (each such day, an "accrual day"); and

- "ACT" = the total number of index business days in the applicable coupon payment period.

If, on any index business day, the index closing value is below the barrier level, no coupon will accrue for that day. It is possible that you will receive no contingent coupon on the securities for extended periods of time if the index closing value were to remain below the barrier level.

Payment at maturity:	If the securities have not previously been redeemed, investors will receive on the maturity date a payment at maturity determined as follows:
· If the final index value is **greater than or equal to** the barrier level:	the stated principal amount and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period
· If the final index value is **less than** the barrier level:	(i) $1,000 x (index performance factor + buffer amount) *plus* (ii) any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period
Buffer amount:	20%
Minimum payment at maturity:	$200 per security
Barrier level:	2,126.952, which is equal to 80% of the initial index value
	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:	$923.50 per security. See "Investment Summary" on page 4.

Commissions and issue price:	**Price to public**(1)	**Agent's commissions**(2)	**Proceeds to us**(3)
Per security	$1,000	$40	$960
Total	$5,000,000	$200,000	$4,800,000

(1) *The price to public for investors purchasing the securities in fee-based advisory accounts will be $970 per security.*
Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $40 for each security they sell; provided that dealers selling to investors purchasing the securities
(2) *in fee-based advisory accounts will receive a sales commission of $10 per security. 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.*
(3) *See "Use of proceeds and hedging" on page* 23.

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 9.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this pricing supplement or the accompanying prospectus 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 pricing supplement together with the related prospectus 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 pricing supplement.

References to "we," "us" and "our" refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Prospectus Supplement dated November 16, 2017

Index Supplement dated November 16, 2017 **Prospectus dated November 16, 2017**

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Terms continued from previous page:

Initial index value:	2,658.69, which is the index closing value of the underlying index on the pricing date
Final index value:	The index closing value of the underlying index on the final observation date
Coupon payment period:	Monthly. For each contingent coupon payment date, the coupon payment period will be the period from but excluding the pricing date (in the case of the first coupon payment period) or the prior coupon observation period end-date to and including the following coupon observation period end-date; *provided* that the final coupon payment period will end on (and include) the final observation date.
Final observation date:	April 27, 2026, subject to postponement as set forth under "Additional Information About the Securities – Postponement of the final observation date" below.
Contingent coupon payment dates:	Monthly, as set forth under "Coupon Observation Period End-Dates, Contingent Coupon Payment Dates and 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. The contingent monthly coupon, if any, with respect to the final observation date shall be paid on the maturity date.
Index performance factor:	The final index value *divided by* the initial index value.
CUSIP / ISIN:	61768DGF6 / US61768DGF69
Listing:	The securities will not be listed on any securities exchange.

Coupon Observation Period End-Dates, Contingent Coupon Payment Dates and Redemption Dates

Coupon Observation Period End-Dates	Contingent Coupon Payment Dates / Redemption Dates
November 26, 2018	November 29, 2018*
December 26, 2018	December 31, 2018*
January 28, 2019	January 31, 2019*
February 26, 2019	March 1, 2019*
March 26, 2019	March 29, 2019*
April 26, 2019	May 1, 2019*
May 28, 2019	May 31, 2019*
June 26, 2019	July 1, 2019*
July 26, 2019	July 31, 2019*
August 26, 2019	August 29, 2019*
September 26, 2019	October 1, 2019*
October 28, 2019	October 31, 2019
November 26, 2019	December 2, 2019
December 26, 2019	December 31, 2019

January 27, 2020	January 30, 2020
February 26, 2020	March 2, 2020
March 26, 2020	March 31, 2020
April 27, 2020	April 30, 2020
May 26, 2020	May 29, 2020
June 26, 2020	July 1, 2020
July 27, 2020	July 30, 2020
August 26, 2020	August 31, 2020
September 28, 2020	October 1, 2020
October 26, 2020	October 29, 2020
November 27, 2020	December 2, 2020
December 28, 2020	December 31, 2020
January 26, 2021	January 29, 2021
February 26, 2021	March 3, 2021
March 26, 2021	March 31, 2021
April 26, 2021	April 29, 2021
May 26, 2021	June 1, 2021
June 28, 2021	July 1, 2021
July 26, 2021	July 29, 2021
August 26, 2021	August 31, 2021
September 27, 2021	September 30, 2021
October 26, 2021	October 29, 2021
November 26, 2021	December 1, 2021
December 27, 2021	December 30, 2021
January 26, 2022	January 31, 2022
February 28, 2022	March 3, 2022
March 28, 2022	March 31, 2022
April 26, 2022	April 29, 2022
May 26, 2022	June 1, 2022
June 27, 2022	June 30, 2022
July 26, 2022	July 29, 2022
August 26, 2022	August 31, 2022
September 26, 2022	September 29, 2022
October 26, 2022	October 31, 2022
November 28, 2022	December 1, 2022
December 27, 2022	December 30, 2022
January 26, 2023	January 31, 2023
February 27, 2023	March 2, 2023
March 27, 2023	March 30, 2023

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Coupon Observation Period End-Dates	Contingent Coupon Payment Dates / Redemption Dates
April 26, 2023	May 1, 2023
May 26, 2023	June 1, 2023
June 26, 2023	June 29, 2023
July 26, 2023	July 31, 2023
August 28, 2023	August 31, 2023
September 26, 2023	September 29, 2023
October 26, 2023	October 31, 2023
November 27, 2023	November 30, 2023
December 26, 2023	December 29, 2023
January 26, 2024	January 31, 2024
February 26, 2024	February 29, 2024
March 26, 2024	April 1, 2024
April 26, 2024	May 1, 2024
May 28, 2024	May 31, 2024
June 26, 2024	July 1, 2024
July 26, 2024	July 31, 2024
August 26, 2024	August 29, 2024
September 26, 2024	October 1, 2024
October 28, 2024	October 31, 2024
November 26, 2024	December 2, 2024
December 26, 2024	December 31, 2024
January 27, 2025	January 30, 2025
February 26, 2025	March 3, 2025
March 26, 2025	March 31, 2025
April 28, 2025	May 1, 2025
May 27, 2025	May 30, 2025
June 26, 2025	July 1, 2025
July 28, 2025	July 31, 2025
August 26, 2025	August 29, 2025
September 26, 2025	October 1, 2025
October 27, 2025	October 30, 2025
November 26, 2025	December 2, 2025
December 26, 2025	December 31, 2025
January 26, 2026	January 29, 2026
February 26, 2026	March 3, 2026
March 26, 2026	March 31, 2026
April 27, 2026	April 30, 2026 (maturity date)

* The securities are not subject to redemption at the issuer's option until the 12th contingent coupon payment date, which is October 31, 2019.

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Principal at Risk Securities

Investment Summary

Callable Buffered Range Accrual Securities

Principal at Risk Securities

The Callable Buffered Range Accrual Securities due April 30, 2026, All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index, which we refer to as the securities, provide an opportunity for investors to earn a contingent monthly coupon, if any, based on the number of index business days in the relevant coupon payment period on which the index closing value of the S&P 500® Index is greater than or equal to 80% of the initial index value, which we refer to as the barrier level. If the index closing value remains below the barrier level for extended periods of time, investors will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all. As a result, investors must be willing to accept the risk of not receiving any contingent monthly coupon during the entire 7.5-year term of the securities. In addition, beginning on October 31, 2019, **we will have the right to redeem the securities at our discretion on any monthly redemption date** for a redemption payment equal to the sum of the stated principal amount plus any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period.

If the securities have not been previously redeemed and the final index value is greater than or equal to the barrier level, investors will receive the stated principal amount of the securities and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period. However, if the final index value is less than the barrier level, in addition to any accrued and unpaid contingent monthly coupon, investors will be exposed on a 1:1 basis to the percentage decline of the final index value from the initial index value beyond the buffer amount of 20%. Accordingly, investors could lose up to 80% of the stated principal amount of the securities. Investors in the securities must be willing to accept the risk of losing some or a substantial portion of their principal and also the risk of not receiving any contingent monthly coupons. In addition, investors will not participate in any appreciation of the underlying index.

Maturity:	Approximately 7.5 years, unless redeemed earlier at our discretion
Payment at maturity:	If the securities have not previously been redeemed, investors will receive on the maturity date a payment at maturity determined as follows:

If the final index value is **greater than or equal to** the barrier level, investors will receive the stated principal amount and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period

If the final index value is **less than** the barrier level, investors will receive (i) $1,000 x (index performance factor + buffer amount) *plus* (ii) any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period

Accordingly, investors in the securities must be willing to accept the risk of losing up to 80% of their entire initial investment.

Contingent monthly coupon:	Unless the securities are previously redeemed, the contingent monthly coupon payable on the securities will be determined as follows: At a rate of 5.80% per annum *times* N/ACT *where:* · "N" = the total number of index business days in the applicable coupon payment period on which the index closing value is greater than or equal to the barrier level (each such day, an "accrual day"); and · "ACT" = the total number of index business days in the applicable coupon payment period. ***If, on any index business day, the index closing value is below the barrier level, no coupon will accrue for that day. It is possible that you will receive no contingent coupon on the securities for extended periods of time if the index closing value were to remain below the barrier level.***
Early redemption at the option of the	We have the right to redeem the securities on any monthly redemption date for an early redemption payment equal to the stated principal amount plus any accrued and unpaid

issuer:	contingent monthly coupon otherwise due with respect to the related coupon payment period. Any early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlying index. It is more likely that we will redeem the securities when it would otherwise be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the index closing value of the underlying index is at or above the barrier level, which would otherwise result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities at a time when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent monthly coupon payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.
	On the other hand, we will be less likely to exercise our redemption right when the index closing value of the underlying index is below the barrier level and/or when the final index value is expected to be below the barrier level, such that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupons at all, and/or that you will suffer a significant loss on your initial investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, and suffer a loss at maturity.

Morgan Stanley Wealth Management clients may contact their local Morgan Stanley branch office or our principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (212) 761-4000).

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than $1,000. We estimate that the value of each security on the pricing date is $923.50.

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 index. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying index, instruments based on the underlying index, 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 barrier level 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 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 index, 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 underlying index, 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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All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index
Principal at Risk Securities

Key Investment Rationale

The securities do not guarantee any repayment of principal at maturity and offer investors an opportunity to earn a contingent monthly coupon based on the number of index business days in the relevant coupon payment period on which the index closing value of the S&P 500® Index is greater than or equal to 80% of the initial index value, which we refer to as the barrier level. If the index closing value remains below the barrier level for extended periods of time, investors will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all. As a result, investors must be willing to accept the risk of not receiving any contingent monthly coupon during the entire 7.5-year term of the securities. The securities have been designed for investors who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of losing up to 80% of their principal and the risk of receiving reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, if the S&P 500® Index remains below the barrier level for extended periods of time, and the risk of an early redemption of the securities at our discretion.

S&P 500® Index Summary

The S&P 500® Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC ("S&P"), consists of stocks of 500 component companies selected to provide a performance benchmark for the U.S. equity markets. The calculation of the S&P 500® Index is based on the relative value of the float adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to the aggregate average market capitalization of 500 similar companies during the base period of the years 1941 through 1943.

Information as of market close on October 26, 2018:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,658.69
52 Weeks Ago:	2,560.40
52 Week High (on 9/20/2018):	2,930.75
52 Week Low (on 10/26/2017):	2,560.40

For additional information about the S&P 500® Index, see the information set forth under "S&P 500® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "S&P 500® Index Historical Performance" below.

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Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples are for illustrative purposes only. Whether you receive a contingent monthly coupon will be determined based on the total number of index business days in each monthly coupon payment period on which the index closing value is greater than or equal to the barrier level. For illustrative purposes, the table below assumes that the coupon payment period contains 22 index business days. The actual contingent monthly coupons will depend on the actual number of index business days in each coupon payment period and the actual index closing value on each index business day in such coupon payment period. Any early redemption of the securities will be at our discretion. The actual initial index value and barrier level are set forth on the cover of this document. All payments on the securities are subject to our credit risk. The numbers in the hypothetical examples may be rounded for ease of analysis. The below examples are based on the following terms:

Hypothetical Initial Index Value:	2,800
Hypothetical Barrier Level:	2,240, which is 80% of the hypothetical initial index value

Hypothetical Contingent Monthly Coupon Payable on the Securities: 5.80% per annum times N/ACT

N	Hypothetical Contingent Monthly Coupon
0	[(0/22) x (5.80% x $1,000)] / 12 = $0.000 per security
3	[(3/22) x (5.80% x $1,000)] / 12 = $0.659 per security
6	[(6/22) x (5.80% x $1,000)] / 12 = $1.318 per security
11	[(11/22) x (5.80% x $1,000)] / 12 = $2.417 per security
14	[(14/22) x (5.80% x $1,000)] / 12 = $3.076 per security
18	[(18/22) x (5.80% x $1,000)] / 12 = $3.955 per security
22	[(22/22) x (5.80% x $1,000)] / 12 = $4.833 per security

If the index closing value is less than the barrier level on any index business day, no contingent monthly coupon will accrue for that index business day. If the index closing value remains below the barrier level on each index business day in any coupon payment period, you will receive no contingent monthly coupon payment for that coupon payment period.

Optional Early Redemption:	The securities may be redeemed at our discretion on any monthly redemption date for a redemption payment equal to the stated principal amount plus any accrued and unpaid contingent monthly coupon otherwise due with respect to the related coupon payment period.

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How to calculate the payment at maturity:

Payment at Maturity (if the securities have not been redeemed early at our option):	If the final index value is **greater than or equal to** the barrier level: the stated principal amount and any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period If the final index value is **less than** the barrier level: (i) $1,000 x (index performance factor + buffer amount) *plus* (ii) any accrued and unpaid contingent monthly coupon with respect to the final coupon payment period

The following examples assume that we do not exercise our right to redeem the securities prior to maturity.

Example 1— The securities are not redeemed prior to maturity. The final index value is 3,400, which is at or above the barrier level. In this scenario, you receive a payment at maturity per security equal to the stated principal amount, in addition to any accrued and unpaid contingent monthly coupon payment for the final coupon payment period. However, you do not participate in the appreciation in the value of the underlying index.

Example 2— The securities are not redeemed prior to maturity. The final index value is 2,700, which is at or above the barrier level. In this scenario, you receive a payment at maturity per security equal to the stated principal amount, in addition to any accrued and unpaid contingent monthly coupon payment for the final coupon payment period.

Example 3—The securities are not redeemed prior to maturity. The final index value is 1,120, which is below the barrier level. Therefore, in addition to any accrued and unpaid contingent monthly coupon payment, the payment at maturity per security would be calculated as $1,000 × [(1,120 / 2,800) + 20%] = $600.00, representing a significant loss on the initial investment.

If we do not redeem the securities prior to maturity and the final index value is less than the barrier level, you will lose some or a substantial portion of your investment in the securities.

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Principal at Risk Securities

Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying index supplement and prospectus. You should also consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

§ **The securities provide a minimum payment at maturity of only 20% of your principal.** The terms of the securities differ from those of ordinary debt securities in that the securities do not guarantee the regular payment of interest and provide a minimum payment at maturity of only 20% of the principal amount of the securities. If the securities have not been redeemed prior to maturity and the final index value is less than the barrier level, you will receive an amount in cash that is less than the $1,000 stated principal amount of each security by an amount proportionate to the decline in the value of the underlying index beyond the buffer amount of 20%. **You could lose up to 80% of the stated principal amount of the securities**.

§ **You will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, if the index closing value remains below the barrier level for extended periods of time.** The securities will pay a contingent monthly coupon based on the number of index business days in the relevant coupon payment period on which the index closing level of the underlying index is greater than or equal to the barrier level. If, on any index business day, the index closing value is below the barrier level, no interest will accrue for that day. It is possible that the index closing value will remain below the barrier level for extended periods of time. If you do not earn sufficient contingent monthly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity, and may even be zero.

§ **The securities are subject to our redemption right.** The term of the securities, and thus your opportunity to earn a potentially above-market coupon if the underlying index remains above the barrier level, may be limited by our right to redeem the securities at our option on any monthly redemption date, beginning October 31, 2019. The term of your investment in the securities may be limited to as short as one year. It is more likely that we will redeem the securities when it would be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the index closing value of the underlying index is at or above the barrier level, which would otherwise result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent monthly coupon payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

On the other hand, we will be less likely to exercise our redemption right when the index closing value of the underlying index is below the barrier level and/or when the final index value is expected to be below the barrier level, such that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, and/or that you will suffer a significant loss on your initial investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all, and suffer a loss at maturity.

§ **Investors will not participate in any appreciation in the value of the underlying index.** Investors will not participate in any appreciation in the value of the underlying index from the initial index value, and the return on the securities will be limited to the contingent monthly coupons, if any, that are paid with respect to each index business day during each coupon payment period on which the index closing value is greater than or equal to the barrier level until the securities are redeemed or reach maturity. It is possible that the index closing value could be below the barrier level on most or all of the index business days during each coupon payment period so that you will receive reduced contingent monthly coupon payments, or no contingent monthly coupon payments at all. If you do not earn sufficient contingent monthly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ **If there are no accrual days in any coupon payment period, we will not pay any contingent monthly coupon on the securities for that coupon payment period and the market value of the securities may decrease significantly.** It is

Morgan Stanley Finance LLC

Callable Buffered Range Accrual Securities due April 30, 2026
All Payments on the Securities Subject to the Barrier Feature Linked to the S&P 500® Index
Principal at Risk Securities

possible that the index closing level of the S&P 500® Index will be less than the barrier level for many days during any monthly coupon payment period such that the coupon payment for that monthly interest payment period will be less than the amount that would be paid on an ordinary debt security and may even be zero. In addition, to the extent that the index closing value of the index is less than the barrier level on any number of days during a coupon payment period, the market value of the securities may decrease and you may receive substantially less than the stated principal amount if you wish to sell your securities at such time.

§ **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 the underlying index on any day, including in relation to the barrier level, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

o the volatility (frequency and magnitude of changes in value) of the S&P 500® Index,

o whether the index closing value of the S&P 500® Index is currently or has been below the barrier level on any index business day,

o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying index or securities markets generally and which may affect the value of the underlying index,

o dividend rates on the securities underlying the S&P 500® Index,

o the time remaining until the securities mature,

o interest and yield rates in the market,

o the availability of comparable instruments,

o the composition of the S&P 500® Index and changes in the constituent stocks of such index, and