MORGAN STANLEY
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Preliminary Terms No. 1,547

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Dated February 1, 2019

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Morgan Stanley Finance LLC

Structured Investments

Opportunities in International Equities

Contingent Minimum Repayment Lock-In Securities Based on the Value of the EURO STOXX 50® Index due September 3, 2024

Fully and Unconditionally Guaranteed by Morgan Stanley

The Contingent Minimum Repayment Lock-In Securities Based on the Value of the EURO STOXX 50® Index due September 3, 2024, which we refer to as the securities, are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. Unlike ordinary debt securities, the securities do not pay interest. At maturity, you will receive for each security that you hold an amount in cash that will vary depending on the performance of the EURO STOXX 50® Index (the "index") from the pricing date to the valuation date, as well as on the final lock-in amount, which will depend on whether or not a lock-in event has occurred on one or more of the annual observation dates, as described below. If the index has increased in value over the term of the securities, you will receive a return on the securities equal to the greater of (i) the stated principal amount plus the upside payment, which is the product of the stated principal amount, the participation rate and the index percent increase, and (ii) the final lock-in amount. However, if the index has declined in value, you will receive a payment at maturity equal to the greater of (i) the stated principal amount plus the product of the stated principal amount and the index performance factor and (ii) the final lock-in amount. The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity.

The initial minimum payment factor is 100%, and the protection amount is subject to an increase only if a lock-in event occurs. A lock-in event occurs if the index closing value on any annual observation date is greater than the initial index value and the highest index closing value achieved on any previous observation date. If a lock-in event occurs on one or more of the annual observation dates, investors will receive at least the increased minimum payment at maturity, which will be greater than the stated principal amount and will increase by an amount reflecting 100% of the percentage appreciation in the index closing value on the relevant observation date relative to the initial index value or the higher index closing value achieved on a prior observation date, even if the index has depreciated on subsequent annual observation dates or the valuation date. However, the occurrence of a lock-in event will not necessarily increase the payment at maturity, because investors will receive at maturity only the greater of the final lock-in amount and the upside payment, and the final lock-in amount will not be combined with the upside payment. Please see "Hypothetical Payout on the Securities at Maturity" for examples illustrating how the occurrence of a lock-in

event will impact the final lock-in amount and the payment at maturity. If a lock-in event does not occur, investors will not obtain the potential benefit provided by the contingent minimum repayment lock-in feature and the minimum payment at maturity will remain the stated principal amount ($10.00 per security). These long-dated securities are for investors who seek an equity index-based return and who are willing to forgo current income in exchange for the repayment of principal at maturity and the contingent minimum repayment lock-in feature that applies only if a lock-in event occurs. 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
Maturity date:	September 3, 2024
Index:	EURO STOXX 50® Index (the "index")
Payment at maturity:	At maturity, you will receive an amount of cash per security based on the final index value, which is the closing value of the index on the valuation date, and the final lock-in amount, determined as follows: · If the final index value is greater than the initial index value, you will receive for each $10 stated principal amount of securities that you hold a payment at maturity equal to: the greater of (i) $10 plus the upside payment and (ii) the final lock-in amount. · If the final index value is less than or equal to the initial index value, you will receive for each $10 stated principal amount of securities that you hold a payment at maturity equal to: The greater of (i) $10 × the index performance factor and (ii) the final lock-in amount ***The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity.***
Upside payment:	$10 × participation rate × index percent increase
Participation rate:	100%
Index percent increase:	(final index value – initial index value) / initial index value
Final lock-in amount:	The greater of (i) the stated principal amount × lock-in payment factor and (ii) stated principal amount × initial minimum payment factor
Lock-in payment factor:	index lock-in performance factor × initial minimum payment factor

Index lock-in performance factor:	index lock-in value / initial index value
Index lock-in value:	The highest index closing value of the index achieved on any annual observation date
Initial minimum payment factor:	100%
Index performance factor:	final index value / initial index value
Initial index value:	The index closing value on the pricing date
Final index value:	The index closing value on the valuation date
Observation dates:	Annually, on February 28, 2020, February 26, 2021, February 28, 2022, February 28, 2023 and February 28, 2024, subject to postponement for non-index business days and certain market disruption events
Valuation date:	August 28, 2024, subject to postponement for non-index business days and certain market disruption events
Stated principal amount:	$10 per security
Issue price:	$10 per security
Pricing date:	February 28, 2019
Original issue date:	March 5, 2019 (3 business days after the pricing date)
CUSIP / ISIN:	61768X127 / US61768X1274
Listing:	The securities will not be listed on any securities exchange.
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 $9.417 per security, or within $0.30 of that estimate. See "Investment Summary" beginning on page 2.

Commissions and issue price:	Price to public	Agent's commissions and fees	Proceeds to us[3]
Per security	$10	$0.30[1]	
		$0.05[2]	$9.65
Total	$	$	$

(1) Selected dealers, including Morgan Stanley Wealth Management (an affiliate of the agent), and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $0.30 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 prospectus supplement.

(2) Reflects a structuring fee payable to Morgan Stanley Wealth Management by the agent or its affiliates of $0.05 for each security.

(3) See "Use of proceeds and hedging" on page 16.

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 document 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 document together with the preliminary pricing supplement describing the offering and the related prospectus supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below, before you decide to invest. 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.

Preliminary Pricing Supplement No. 1,547 dated February 1, 2019

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

Morgan Stanley Finance LLC

Contingent Minimum Repayment Lock-In Securities Based on the Value of the EURO STOXX 50® Index due September 3, 2024

Investment Summary

Contingent Minimum Repayment Lock-In Securities

The securities are medium-term debt securities issued by MSFL and are fully and unconditionally guaranteed by Morgan Stanley. The securities do not pay interest. The securities have been designed for investors who are willing to forgo market floating interest rates in exchange for a payment at maturity depending on the performance of the EURO STOXX 50® Index, which we refer to as the index, from the pricing date to the valuation date, as well as on the final lock-in amount, which will depend on whether or not a lock-in event has occurred on one or more of the annual observation dates. If the index has increased in value over the term of the securities, you will receive a return on the securities equal to the greater of (i) the stated principal amount plus the upside payment, which is the product of the stated principal amount, the participation rate and the index percent increase, and (ii) the final lock-in amount. However, if the index has declined in value, you will receive a payment at maturity equal to the greater of (i) the stated principal amount plus the product of the stated principal amount and the index performance factor and (ii) the final lock-in amount. The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity. All payments on the securities are subject to our credit risk.

Maturity:	Approximately 5.5 years
Initial minimum payment factor:	100%
Minimum payment at maturity:	$10.00 per stated principal amount

The original issue price of each security is $10. 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 $10. We estimate that the value of each security on the pricing date will be approximately $9.417, or within $0.30 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 index. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the index, instruments based on the 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 initial minimum payment factor, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

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

The price at which Morgan Stanley & Co. LLC, which we refer to as MS & Co., purchases the securities in the secondary market, absent changes in market conditions, including those related to the 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 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the 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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Key Investment Rationale

The securities do not pay interest. The securities have been designed for investors who are willing to forgo market floating interest rates in exchange for a payment at maturity depending on the performance of the EURO STOXX 50® Index from the pricing date to the valuation date, as well as on the final lock-in amount, which will depend on whether or not a lock-in event has occurred on one or more of the annual observation dates. If the index has increased in value over the term of the securities, you will receive a return on the securities equal to the greater of (i) the stated principal amount plus upside payment, which is the product of the stated principal amount, the participation rate and the index percent increase, and (ii) the final lock-in amount. However, if the index has declined in value, you will receive a payment at maturity equal to the greater of (i) the stated principal amount plus the product of the stated principal amount and the index performance factor and (ii) the final lock-in amount. The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity. All payments on the securities are subject to our credit risk.

Scenario 1	The final index value is greater than the initial index value, and, at maturity, the securities redeem for the greater of (i) the stated principal amount of $10 plus the upside payment and (ii) the final lock-in amount.
Scenario 2	The final index value is less than the initial index value, and, at maturity, the securities redeem for the greater of (i) the stated principal amount of $10 times the index perfomance factor and (ii) the final lock-in amount. **The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity. All payments on the securities are subject to our credit risk.**

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Hypothetical Payout on the Securities at Maturity

The following examples illustrate the payment at maturity on the securities for a range of hypothetical performances of the index. The numbers in the examples below may have been rounded for ease of analysis. The examples are based on the following terms:

Stated principal amount:	$10 per security
Hypothetical initial index value:	3,100
Initial minimum payment factor:	100%
Participation rate:	100%
Index lock-in value:	The highest index closing value achieved on the five annual observation dates
Final index value:	The index closing value on the valuation date

EXAMPLE 1: In example 1, a lock-in event occurs, as the index closing value on one of the annual observation dates is 4,340, which represents the highest index closing value on any of the observation dates. As a result, the minimum payment at maturity increases to a final lock-in amount of $14.00, as illustrated below. However, because the final index value is 4,495, a payment at maturity based on the index percent increase would be greater than the final lock-in amount, notwithstanding the occurrence of a lock-in event. Therefore, investors do not benefit from the occurrence of a lock-in event. As a result, the investor receives $14.50 per security.

Hypothetical final index value	=	4,495
Hypothetical index lock-in value	=	4,340
Index percent increase	=	(4,495 - 3,100) / 3,100 = 45%
Upside payment	=	The stated principal amount × participation rate × index percent increase
	=	$10 × 100% × 45% = $4.50
Index lock-in performance factor	=	4,340 / 3,100 = 140%

Lock-in payment factor	=	140% × 100% = 140%
Final lock-in amount	=	The greater of (i) the stated principal amount × the lock-in payment factor and (ii) the stated principal amount × the initial minimum payment factor
	=	The greater of (i) $10 × 140% and (ii) $10 × 100% = $14.00
Payment at maturity	=	The greater of (i) $10 + the upside payment and (ii) the final lock-in amount
	=	$10 + $4.50
	=	$14.50

EXAMPLE 2: In example 2, a lock-in event does not occur, as the index closing values on all of the annual observation dates are below the initial index value. As a result, the investor does not benefit from the contingent minimum repayment lock-in feature and the final lock-in amount does not increase from the initial minimum payment at maturity of $10.00. Because the final index value is 3,410, a payment at maturity based on the index percent increase would be greater than the final lock-in amount. As a result, the investor receives a payment at maturity of $11.00 per security, notwithstanding the fact that a lock-in event does not occur.

Hypothetical final index value	=	3,410
Hypothetical index lock-in value	=	2,945
Index percent increase	=	(3,410 - 3,100) / 3,100 = 10%
Upside payment	=	The stated principal amount × participation rate × index percent increase
	=	$10 × 100% × 10% = $1.00
Index lock-in performance factor	=	2,945 / 3,100 = 95%
Lock-in payment factor	=	95% × 100% = 95%
Final lock-in amount	=	The greater of (i) the stated principal amount × the lock-in payment factor and (ii) the stated principal amount × the initial minimum payment factor
	=	The greater of (i) $10 × 95% and (ii) $10 × 100% = $10.00
Payment at maturity	=	The greater of (i) $10 + the upside payment and (ii) the final lock-in amount
	=	$10 + $1.00

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= $11.00

EXAMPLE 3: In example 3, a lock-in event occurs, as the index closing value on one of the annual observation dates is 4,340, which represents the highest index closing value achieved on any of the observation dates. As a result, the minimum payment at maturity increases to a final lock-in amount of $14.00, as illustrated below. Because the final lock-in amount is greater than a payment at maturity based on the index percent increase, the investor receives the final lock-in amount of $14.00 per security.

Hypothetical final index value	=	3,162
Hypothetical index lock-in value	=	4,340
Index percent increase	=	(3,162 - 3,100) / 3,100 = 2%
Upside payment	=	The stated principal amount × participation rate × index percent increase
	=	$10 × 100% × 2% = $0.20
Index lock-in performance factor	=	4,340 / 3,100 = 140%
Lock-in payment factor	=	140% × 100% = 140%
Final lock-in amount	=	The greater of (i) the stated principal amount × the lock-in payment factor and (ii) the stated principal amount × the initial minimum payment factor
	=	The greater of (i) $10 × 140% and (ii) $10 × 100% = $14.00
Payment at maturity	=	The greater of (i) $10 + the upside payment and (ii) the final lock-in amount
	=	$14.00

EXAMPLE 4: In example 4, a lock-in event does not occur, as the index closing values on all of the annual observation dates are below the initial index value. As a result, the investor does not benefit from the contingent minimum repayment lock-in feature and the final lock-in amount does not increase from the initial minimum payment at maturity of $10.00. Because the final lock-in amount is greater than a payment at maturity based on the index performance factor, the investor receives the final lock-in amount of $10.00 per security.

Hypothetical final index value	=	2,945
Hypothetical index lock-in value	=	2,790
Index performance factor	=	2,945 / 3,100 = 95%
Index lock-in performance factor	=	2,790 / 3,100 = 90%
Lock-in payment factor	=	90% × 100% = 90%
Final lock-in amount	=	The greater of (i) the stated principal amount × the lock-in payment factor and (ii) the stated principal amount × the initial minimum payment factor
	=	The greater of (i) $10 × 90% and (ii) $10 × 100% = $10.00
Payment at maturity	=	The greater of (i) $10 × the index performance factor and (ii) the final lock-in amount
	=	$10 × 100%
	=	$10.00

EXAMPLE 5: In example 5, a lock-in event does not occur, as the index closing values on all of the annual observation dates are below the initial index value. As a result, the investor does not benefit from the contingent minimum repayment lock-in feature and the final lock-in amount does not increase from the initial minimum payment at maturity of $10.00. Because the final lock-in amount is greater than a payment at maturity based on the index performance factor, the investor receives the final lock-in amount of $10.00 per security, or the stated principal amount.

Hypothetical final index value	=	1,860
Hypothetical index lock-in value	=	3,100
Index performance factor	=	1,860 / 2,700 = 60%
Index lock-in performance factor	=	3,100 / 3,100 = 100%
Lock-in payment factor	=	100% × 100% = 100%
Final lock-in amount	=	The greater of (i) the stated principal amount × the lock-in payment factor and (ii) the stated principal amount × the initial minimum payment factor
	=	The greater of (i) $10 × 100% and (ii) $10 × 100% = $10,00
Payment at maturity	=	The greater of (i) $10 × the index performance factor and (ii) the final lock-in amount
	=	$10.00

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The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity.

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Hypothetical Examples Illustrating the Determination of the Final Lock-In Amount

The following three examples illustrate how the final lock-in amount would be determined depending on the performance of the index as of the five annual observation dates. These examples do not cover every situation that may occur. Please also review the hypothetical examples beginning on page 3.

The final lock-in amount will be the greater of (i) the stated principal amount times the lock-in payment factor and (ii) the stated principal amount times the initial minimum payment factor of 100%. Therefore, if the index closing value of the index on any observation date is greater than the initial index value, the final lock-in amount will be greater than $10.00 per security. However, if the index closing value on each observation date is less than or equal to the initial index value, the final lock-in amount will not increase from the initial minimum payment at maturity of $10.00 per security.

Even if a lock-in event occurs, the payment at maturity based on the percentage change in the value of the index during the term of the securities may be greater than the increased minimum payment at maturity reflected in the final lock-in amount. In this case, you will not benefit from the contingent minimum repayment lock-in feature, and your payment at maturity will be based solely on the performance of the index from the pricing date to the valuation date. Therefore, the occurrence of a lock-in event will not necessarily increase the payment at maturity, because you will receive at maturity only the greater of the final lock-in amount and the upside payment, and so the final lock-in amount will not be combined with the upside payment. The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity.

The blue line in each graph below represents hypothetical index closing values (expressed as a percentage of the initial index value) on the annual observation dates. The red line in each graph represents the hypothetical then-current minimum payments at maturity (expressed as a percentage of the stated principal amount) that would result from the hypothetical index closing values on the observation dates. The hypothetical final lock-in amount in each example below reflects the highest minimum payment at maturity achieved on any observation date.

EXAMPLE 1: In example 1, the index closing value increases to 4,650 on one of the annual observation dates; this 50% increase from the initial index value represents the highest index closing value achieved on any of the observation dates. Therefore, a lock-in event occurs, and the minimum payment at maturity increases to a final lock-in amount of $15.00 per security (an increase equal to 100% of the 50% increase – $5.00 – which is added to the initial

minimum payment at maturity of $10.00). The index ultimately declines to a final index value of 2,480 on the valuation date, resulting in an index performance factor of 80%. Because the final lock-in amount is greater than a payment at maturity based on the index performance factor, the investor receives a payment at maturity equal to the final lock-in amount of $15.00 per security.

EXAMPLE 2: In example 2, the index closing values on all of the annual observation dates are at or below the initial index value. Therefore, a lock-in event does not occur. As a result, the investor does not benefit from the contingent minimum repayment lock-in feature, and the final lock-in amount does not increase from the initial minimum payment at maturity of $10.00 per security. The index ultimately increases to a final index value of 3,410 on the valuation date, resulting in an index performance factor of 110%. Because a payment at maturity based on the index percent increase is greater than the final lock-in amount, the payment at maturity is $11.00 per security, notwithstanding the fact that a lock-in event does not occur.

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EXAMPLE 3: In example 3, the index closing values on all of the annual observation dates are at or below the initial index value. Therefore, a lock-in event does not occur. As a result, the investor does not benefit from the contingent minimum repayment lock-in feature, and the final lock-in amount does not increase from the initial minimum payment at maturity of $10.00 per security. The index ultimately declines to a final index value of 2,325 on the valuation date, resulting in an index performance factor of 75%. Because the final lock-in amount (which in this case is also the initial minimum payment at maturity) is greater than a payment at maturity based on the index performance factor, the investor receives a payment at maturity equal to the final lock-in amount of $10.00 per security, or the stated principal amount.

The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity.

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Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. The securities are not secured debt and, unlike ordinary debt securities, do not pay any interest. Investing in the securities is not equivalent to investing in the index or its component stocks. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying preliminary pricing supplement and prospectus. We also urge you to consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

§ **The securities do not pay interest and may not pay more than the stated principal amount at maturity.** The terms of the securities differ from those of ordinary debt securities in that we will not pay you any interest, and the securities may not pay more than the stated principal amount at maturity. At maturity, you will receive for each $10 stated principal amount of securities that you hold an amount in cash that will vary depending on the performance of the index from the pricing date to the valuation date, as well as on the final lock-in amount, which will depend on whether or not a lock-in event has occurred, and this amount may be no greater than the stated principal amount of the securities. **The payment due at maturity will not be less than the stated principal amount of $10.00 per security, but you may not receive a positive return on your investment at maturity.**

§ **Even if a lock-in event occurs, investors may not benefit from the contingent minimum repayment lock-in feature.** Even if a lock-in event occurs, the payment at maturity based on the percentage change in the value of the index during the term of the securities may be greater than the increased minimum payment at maturity reflected in the final lock-in amount. In this case, you will not benefit from the contingent minimum repayment lock-in feature, and your payment at maturity will be based solely on the performance of the index from the pricing date to the valuation date. Therefore, the occurrence of a lock-in event will not necessarily increase the payment at maturity, because investors will receive at maturity only the greater of the final lock-in amount and the upside payment, and so the final lock-in amount will not be combined with the upside payment.

§ **Whether a lock-in event occurs will be based solely on the value of the index on the annual observation dates.** Even if the index appreciates prior to an annual observation date, but then has decreased as of an annual observation date to less than or equal to the initial index value, a lock-in event will not occur and you will not obtain the potential benefit provided by the contingent minimum return lock-in feature. It is possible that the index will be at or above the initial index value for significant periods of time during the term of the securities, but that a lock-in event will nevertheless not occur, because the determination of whether or not a lock-in event occurs will be based solely on the closing value of the index on the annual observation dates.

§ **The potential benefit provided by the contingent minimum repayment lock-in feature applies only if you hold the securities to maturity.** You should be willing to hold the securities to maturity. If you are able to sell the your securities prior to maturity in the secondary market, you may have to sell them at a loss relative to the your initial investment (and/or relative to the minimum payment at maturity), even if a lock-in event has occurred, as the minimum payment at maturity and the lock-in features apply only at maturity.

§ **The market price of the securities 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, including:

o the value of the index at any time,

o whether or not a lock-in event has occurred on any annual observation date,

o the volatility (frequency and magnitude of changes in value) of the index,

o dividend rates on the securities underlying the index,

o interest and yield rates in the market,

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

o the time remaining until the maturity of the securities,

o the composition of the index and changes in the constituent stocks of the index, and

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

Generally, the longer the time remaining to maturity, the more the market price of the securities will be affected by the other factors described above. Some or all of these factors will influence the price you will receive if you sell your securities prior to maturity. For example, you may have to sell your securities at a substantial discount from the stated principal amount if at the time of sale the value of the index is at or below the initial index value.

You cannot predict the future performance of the index based on its historical performance. There can be no assurance that you will receive an amount greater than the stated principal amount at maturity.

§ **There are risks associated with investments in securities linked to the value of foreign equity securities.** The securities are linked to the value of foreign equity securities. Investments in securities linked to the value of foreign equity securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Also, there is generally less publicly available information about foreign companies than about U.S. companies that are subject to the reporting requirements of the United States Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements different from those applicable to U.S. reporting companies. The prices of securities issued in foreign markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. Moreover, the economies in such countries may differ favorably or unfavorably from the economy in the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payment positions.

§ **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 and therefore you are subject to our credit risk. 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 amount payable on the securities is not linked to the value of the index at any times other than the annual observation dates and the valuation date.** The final index value will be the index closing value on the valuation date, subject to adjustment for non-index business days and certain market disruption events. Even if the value of the index appreciates prior to the annual observation dates or the valuation date but then drops by the annual observation dates or the valuation date, as applicable, the payment at maturity will be less than it would have been had the payment at maturity been linked to the value of the index prior to such drop. Although the actual value of the index on the stated maturity date or at other times during the term of the securities may be higher than the index closing values on the annual observation dates and the final index value, the payment at maturity will be based solely on the index closing values on the annual observation dates and on the valuation date.

§ **The securities will not be listed on any securities exchange and secondary trading may be limited.** 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 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the index, 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 document 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 of the securities will be influenced by many unpredictable factors" above.

§ **Investing in the securities is not equivalent to investing in the index.** Investing in the securities is not equivalent to investing in the index or its component stocks. Investors in the securities will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to stocks that constitute the index.

§ **Adjustments to the index could adversely affect the value of the securities.** S&P Dow Jones Indices LLC is responsible for calculating and maintaining the index. S&P Dow Jones Indices LLC can add, delete or substitute the stocks underlying the index, and can make other methodological changes required by certain events relating to the underlying stocks, such as stock dividends, stock splits, spin-offs, rights offerings and extraordinary dividends, that could change the value of the index. Any of these actions could adversely affect the value of the securities. S&P Dow Jones Indices LLC may discontinue or suspend calculation or publication of the 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, the payout on the

securities at maturity will be an amount based on the closing prices on the applicable date of the stocks underlying the index at the time of such discontinuance, without rebalancing or substitution, computed by the calculation agent in accordance with the formula for and method of calculating the index last in effect prior to the discontinuance of the 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, the index closing value on each annual observation date, whether a lock-in event has occurred on any annual observation date, the final index value, the index percent increase or the index performance factor, as applicable, and the payment that you will receive at maturity. 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 the index. These potentially subjective determinations may adversely affect the payout to you at maturity. For further information regarding these types of determinations, see "Terms of the Securities — Index Closing Value," "—Valuation Date," "—Calculation Agent," "—Mark Disruption Event," "—Alternate Exchange Calculation in Case of an Event of Default and "—Discontinuance of the Index; Alteration of Method of Calculation" and related definitions in the accompanying preliminary pricing supplement. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

§ **Hedging and trading activity by our affiliates could potentially adversely 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 index or its component stocks), including trading in the stocks that constitute the index as well as in other instruments related to the index. 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 valuation date approaches. Some of our affiliates also trade the stocks that constitute the index and other financial instruments related to the index 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 and, therefore, the value above which the index must close on any annual observation date for a lock-in event to occur and the value at or above which the index must close on the valuation date before you would receive at maturity a payment that exceeds the stated principal amount of the securities. Additionally, such hedging or trading activities during the term of the securities, including on the valuation date, could adversely affect the value of the index on the annual observation dates and the valuation date and, accordingly, the amount of cash an investor will receive at maturity.

Morgan Stanley Finance LLC

Contingent Minimum Repayment Lock-In Securities Based on the Value of the EURO STOXX 50® Index due September 3, 2024

EURO STOXX 50® Index Overview

Section 9. Other Insurance or Indemnity.

Coverage afforded hereunder shall apply only as excess over any valid and collectible insurance or indemnity obtained by the Insured, or by one other than the Insured on Property subject to exclusion (q) or by a Transportation Company, or by another entity on whose premises the loss occurred or which employed the person causing the loss or the messenger conveying the Property involved.

Section 10. Ownership

This bond shall apply to loss of Property (1) owned by the Insured, (2) held by the Insured in any capacity, or (3) for which the Insured is legally liable. This bond shall be for the sole use and benefit of the Insured named in the Declarations.

Section 11. Deductible Amount.

The Underwriter shall be liable hereunder only for the amount by which any single loss, as defined in Section 4, exceeds the Single Loss Deductible amount for the Insuring Agreement or Coverage applicable to such loss, subject to the Aggregate Limit of Liability and the applicable Single Loss Limit of Liability.

The Insured shall, in the time and in the manner prescribed in this bond, give the Underwriter notice of any loss of the kind covered by the terms of this bond, whether or not the Underwriter is liable thereof, and upon the request of the Underwriter shall file with it a brief statement giving the particulars concerning such loss.

Section 12. Termination or Cancellation.

This bond terminates as an entirety upon occurrence of any of the following: -(a) 60 days after the receipt by the Insured of a written notice from the Underwriter of its desire to cancel this bond, or (b) immediately upon the receipt by the Underwriter of a written notice from the Insured of its desire to cancel this bond, or (c) immediately upon the taking over of the Insured by a receiver or other liquidator or by State or Federal officials, or (d) immediately upon the taking over of the Insured by another institution, or (e) immediately upon exhaustion of the Aggregate Limit of Liability, or (f) immediately upon expiration of the Bond Period as set forth in Item 2 of the Declarations.

This bond terminates as to any Employee or any partner, officer or employee of any Processor (a) as soon as any Insured, or any director or officer not in collusion with such person, learns of any dishonest or fraudulent act committed by such person at any time, whether in the employment of the Insured or otherwise, whether or not of the type covered under Insuring Agreement (a), against the Insured or any other person or entity, without prejudice to the loss of any Property then in transit in the custody of such person, or (b) 15 days after the receipt by the Insured of a written notice from the Underwriter of its desire to cancel this bond as to such person.

Termination of the bond as to any Insured terminates liability for any loss sustained by such Insured which is discovered after the effective date of such termination.

Notwithstanding anything to the contrary contained in this Section 12, this Bond shall not be cancelled, terminated or modified except after written notice shall have been given by the acting party to the affected party and the Securities and Exchange Commission not less than 60 days prior to the effective date of cancellation, termination or modification.

Attachment 1:

It is agreed that:

1. Section 1. (a), Definition of Employee is deleted in its entirety and replaced with the following:

(a) Employee means

(1) any of the Insureds officers or employees while performing services for the Insureds offices, and

(2) any of the officers or employees of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and

(3) attorneys retained by the Insured to perform legal services for the Insured and the employees of such attorneys while such attorneys or the employees of such attorneys are performing such services for the Insured, and

(4) guest students pursuing their studies or duties in any of the Insureds offices, and

(5) directors or trustees of the Insured but only while performing acts coming within the scope of the usual duties of an officer or employee or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the property of the Insured, and

(6) any individual or individuals assigned to perform the usual duties of an employee within the premises for the Insured, by any agency furnishing temporary personnel on a contingent or part-time basis, and

(7) each natural person, partnership or corporation authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured,

(8) any employee or any partner of any named Insured,

All other terms and conditions remain unaltered.

Attachment 2:

It is agreed that:

1) The attached bond shall not be cancelled or terminated as provided in Section 12, or modified by rider, except after written notice shall have been given by the acting party to the affected party, and to the Securities and Exchange Commission, Washington, D.C., not less than sixty days prior to the effective date of such cancellation, termination or modification.

All other terms and conditions remain unaltered.

Attachment 3:

It is agreed that:

a. The attached bond is amended by adding an additional Insuring Agreement as follows:

COMPUTER SYSTEMS

Loss resulting directly from a fraudulent

(1) entry of data into, or

(2) change of data elements or programs within

the Insured s proprietary Computer System or a Computer System listed in b below; provided the fraudulent entry or change causes

(a) Property to be transferred, paid or delivered,

(b) An account of the Insured, or of its customer, to be added, deleted, debited or credited

Or

(c) an unauthorized account or a fictitious account to be debited or credited.

b. As used in this rider, Computer System means

i) computers with related peripheral components, including storage components, wherever located,

ii) systems and applications software,

iii) terminal devices,

iv) related communication networks

by which data are electronically collected, transmitted, processed, stored and retrieved.

c. In addition to the exclusions in the attached bond, the following exclusions are applicable to this Insuring Agreement:

i) loss resulting directly or indirectly from the theft of confidential information, material or data; and

ii) loss resulting directly or indirectly from entries or changes made by an individual authorized to have access to a Computer System who acts in good faith on instructions, unless such instructions are given to that individual by a software contractor (or by a partner, officer or employee thereof) authorized by the Insured to design, develop, prepare, supply, service, write or implement programs for the Insured s Computer System.

d. The coverage afforded by this rider applies only to loss discovered by the Insured during the period this rider is in force. The first sentence of Section 3 of the attached bond does not apply to this Insuring Agreement.

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e. All loss or series of losses involving fraudulent activity of one individual, or involving fraudulent activity, in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as a Single Loss. A series of losses involving unidentified individuals but arising from the same method of operation may be deemed by the Underwriter to involve the same individual and in that event shall be treated as a Single Loss.

f. The Single Loss Limit of Liability and Retention for the coverage provided by this rider shall be:

Limit		Retention	
$	1,900,000	$	0

it being understood, however, that such liability shall be part of and not in addition to the Aggregate Limit of Liability stated in Item 3 of the Declarations of the attached Bond.

g. the Underwriter shall be liable hereunder for the amount by which Single Loss exceeds the Deductible Amount in item 4 of the Declarations, but not in excess of the Single Loss Limit of Liability stated above.

h. Coverage under this rider shall terminate upon termination or cancellation of the bond to which this rider is attached. Coverage under this rider may also be terminated or cancelled without cancelling this bond as an entirety

i) 60 days after receipt by the Insured of written notice from the Underwriter of its desire to terminate or cancel; coverage under this rider, or

ii) Immediately upon receipt by the Underwriter of a written request from the Insured to terminate or cancel coverage under this rider.

All others terms and conditions remain unaltered.

Attachment 4:

It is agreed that:

1. In consideration of the annual premium included herein, this policy is extended to indemnify the Insured against any and all sums which the Insured shall become obligated to pay by reason of the Liability imposed upon the Insured by law for damages:

(a) for having either complied with or failed to comply with any written notice of any depositor of the Insured or any authorized Representative of such depositor to stop payment of any cheque or draft made or drawn by such depositor or any Authorized Representative of such depositor, or

(b) for having refused to pay any cheque or draft made or drawn by any depositor of the Insured or any Authorized Representative of such depositor.

Provided always that:

(1) the Insured shall bear the first $5,000 for each and every loss.

(2) the Underwriters Liability under this rider shall be limited to $100,000 for any one loss and in all during each policy year, subject to a $100,000 Annual Aggregate.

(3) the term Policy Year as used in this rider shall mean each period of twelve calendar months commencing the effective date of the attached bond.

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached policy other than as above stated.

All others terms and conditions remain unaltered.

Attachment 5:

COVERAGE FOR UNCOLLECTABLE ITEMS OF DEPOSIT

It is agreed that:

Coverage will be afforded for loss resulting from payments of dividends or fund shares, or withdrawals permitted form any, customer s, shareholder s or subscriber s account based upon Uncollectible Items of Deposit of a customer, shareholder or subscriber credited by the Insured or the Insured s agent to such customer s, shareholder s or subscriber s Mutual Fund Account; or

Loss resulting from any Item of deposit processed through an Automated Clearing House which is reversed by the customer, shareholder or subscriber and deemed uncollectible by the Insured.

Loss includes dividends and interest accrued not to exceed 15% of the Uncollectible Items which are deposited.

This insuring Agreement applies to all Mutual Funds with exchange privileges if all Fund(s) in the exchange program are insured by a National Union Fire Insurance Company of Pittsburgh, PA for Uncollectible Items of Deposit. Regardless of the number of transactions between Fund(s), the minimum number of days of deposit within the Fund(s) before withdrawal as declared in the Fund(s) prospectus shall begin from the date a deposit was first credited to any Insured Fund(s).

It is further understood and agreed that the Limit of Liability for this endorsement shall be $100,000 and the per claim deductible shall be $5,000.

All others terms and conditions remain unaltered

Attachment 6:

It is agreed that:

1. The following is inserted Section 1.1 Insuring Agreement (G) of the Financial Institutions Bond.

Audit Expense. Expense incurred by the Insured for that part of the cost of audits or examinations required by State or Federal supervisory authorities to be conducted either by such authorities or by independent accountants by reason of the discovery of loss sustained by the Insured through dishonest or fraudulent acts of any of the Employees. The total liability of the Underwriter for such expense by reason of such acts of any Employee or in which such Employee is concerned or implicated or with respect to any one audit or examination is limited to the amount stated opposite Audit Expense Coverage , it being understood however, that such expense shall be deemed to be loss sustained by the Insured through dishonest or fraudulent act of one or more of the Employees and the liability of the Underwriter under this Insuring Agreement (G) shall be part of and not in addition to the Single Loss of Limited Liability stated in Item 3 of the declarations.

Audit Expense Coverage **$100,000** Retention **$5,000**

2. The following paragraph is substituted for Section 2(d):

(d) loss resulting directly or indirectly from any director or trustee of the Insured other than one employed as a salaried, pensioned or elected official or an Employee of the Insured, except (i) when performing acts coming within the scope of the usual duties of an Employee, or (ii) while acting as a member of any committee duly elected or appointed by resolution of the board of directors or trustees of the Insured to perform specific, as distinguished from general, directorial acts on behalf of the Insured;

3. The following paragraph is substituted for Section 2(U):

(u) all fees, costs and expenses incurred by the Insured

(1) in establishing the existence of or amount of loss covered under this bond, except to the extent covered under the Insuring Agreement (G) entitled Audit Expense, or

(2) as a party to any legal proceeding whether or not such legal proceeding exposes the Insured to loss covered by this bond;

4. The following paragraph is added as (g) of Section 5:

If the Insured is an institution under the supervision of the Federal Home Loan Bank Board, it is understood and agreed that in case of any loss hereunder discovered either by the Insured or by the Federal Home Loan Bank of which the Insured is a member, the said Federal Home Loan Bank is empowered to give notice of the loss to the Underwriter within the period limited therefore.

5. The following is added as the final paragraph of Section 12:

If the Insured is an institution insured by the Federal Savings and Loan Insurance Corporation, termination or cancellation of this bond in its entirety, whether by the Insured or the Underwriter, as provided in parts (a) and (b) in the first paragraph of Section 12, shall not take effect prior to the expiration of ten days from the receipt by the Federal Home Loan Bank of which the Insured is a member of written notice of such termination or cancellation unless an earlier date of termination or cancellation is approved by said Federal Home Loan Bank.

All others terms and conditions remain unaltered

Attachment 7:

It is agreed that:

The attached bond is amended to include the following as Section 1.1 Insuring Agreement (H):

Unauthorized Signatures.

Loss resulting directly from the Insured having accepted, paid or cashed and check or withdrawal order made or drawn on a customer s account which bears the signature or endorsement of one other than a person whose name and signature is on file with the Insured as a signatory on such account it shall be a condition precedent to the Insured s right of recovery under this Coverage that the Insured shall have on file signature of all persons who are signatories on such account.

The Limit of Liability on this Insuring Agreement (H) is $100,000 subject to a deductible of $5,000.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached policy other than as above stated.

All others terms and conditions remain unaltered.

Attachment 8:

It is agreed that:

1. The attached bond is amended by adding the following as Section 1.1 Insuring Agreement (I):

Voice Initiated Funds Transfers.

Loss resulting directly from the Insured having transferred any funds on the faith of any voice initiated funds transfer instructions directed to the Insured authorizing the transfer of funds in a customer s account to other financial institutions for credit to persons designated by the customer, and which instructions were made over the telephone to those employees of the Insured specifically authorized to receive said instructions at the Insured s offices, and fraudulently purport to have been made by a person authorized and appointed by a customer to request by telephone the transfer of such funds, but which instructions were not made by said customer, or by any officer, director, partner or employee of said customer, or were fraudulently made by an officer, director, partner or employee of said customer whose duty, responsibility or authority did not permit him to make, initiate, authorize or validate or authenticate customer voice initiated transfer instruction, which fraudulent acts were committed by said person who intended to cause the Insured, or the customer, to sustain such loss and to obtain personal financial benefit for such person or another person or entity.

Proof of loss filed as direct result of claims arising from voice instructions or advices covered under this Insuring Agreement must include electronic recordings of such voice instructions or advices. Electronic recording must also include call back verification of such voice instruction.

Special Definition

Customer a used in this Insuring Agreement (I) means any corporate, partnership or trust customer or similar business entity, which has a written agreement with the Insured for customer voice, initiated funds transfers.

The Underwriter s total liability under this Insuring Agreement (I) shall be limited to **$1,900,000** each and every loss and **$1,900,000** in the aggregate, it being understood, however, that such liability is part of and not in addition to the limits of liability stated in Sections 3 and 4 of the Declarations, and is subject to an each and every loss deductible of **$0.**

All other terms and conditions remain the same.

Attachment 9:

It is agreed that:

1. The attached bond is amended to include the following as Section 1.1 Insuring agreement (J):

Loss and costs directly arising from larceny and embezzlement, covering each officer and employee of the Insured, who may singly, or jointly with others, have access to securities or funds of the Insured, either directly or through authority to draw upon such funds or to direct generally the disposition of such securities.

All other terms and conditions remain the same.