

MORGAN STANLEY
 Form 424B2
 June 26, 2018

CALCULATION OF REGISTRATION FEE

<i>Title of Each Class of Securities Offered</i>	<i>Maximum Aggregate Offering Price</i>	<i>Amount of Registration Fee</i>
Contingent Income Auto-Callable Securities due 2020	\$5,794,970	\$721.47

June 2018

Pricing Supplement No. 704

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

Dated June 22, 2018

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due December 28, 2020

Based on the Performance of the VanEck Vectors Oil Services™ ETF

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

Contingent Income Auto-Callable Securities do not guarantee the payment of interest or the repayment of principal. Instead, the securities offer the opportunity for investors to earn a contingent quarterly coupon at an annual rate of 9.25%, but only with respect to each determination date on which the determination closing price of the underlying shares is greater than or equal to 80% of the initial share price, which we refer to as the downside threshold level. In addition, if the determination closing price of the underlying shares is greater than or equal to the initial share price on any determination date, the securities will be automatically redeemed for an amount per security equal to the stated principal amount and the contingent quarterly coupon. However, if the securities are not automatically redeemed prior to maturity, the payment at maturity due on the securities will be as follows: (i) if the final share price is greater than or equal to the downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final determination date, or (ii) if the final share price is less than the downside threshold level, investors will be exposed to the decline in the underlying shares on a 1-to-1 basis and will receive a payment at maturity that is less than 80% of the stated principal amount of the securities and could be zero. Moreover, if on any determination date, the determination closing price of the underlying shares is less than the downside threshold level, you will not receive any contingent quarterly coupon for that quarterly period. As a result, investors

must be willing to accept the risk of not receiving any contingent quarterly coupons and also the risk of receiving a payment at maturity that is significantly less than the stated principal amount of the securities and could be zero. **Accordingly, investors could lose their entire initial investment in the securities.** The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving few or no contingent quarterly coupons over the 2.5-year term of the securities. Investors will not participate in any appreciation of the underlying shares. 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 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.

FINAL TERMS

Issuer: Morgan Stanley Finance LLC
Guarantor: Morgan Stanley
Underlying shares: Shares of the VanEck Vectors Oil Services™ ETF (the “Fund”)
Aggregate principal amount: \$5,794,970
Stated principal amount: \$10 per security
Issue price: \$10 per security
Pricing date: June 22, 2018
Original issue date: June 27, 2018 (3 business days after the pricing date)
Maturity date: December 28, 2020
Early redemption: If, on any of the first nine determination dates, the determination closing price of the underlying shares is greater than or equal to the initial share price, the securities will be automatically redeemed for an early redemption payment on the third business day following the related determination date. No further payments will be made on the securities once they have been redeemed.
Early redemption payment: The early redemption payment will be an amount equal to (i) the stated principal amount *plus* (ii) the contingent quarterly coupon with respect to the related determination date.
Determination closing price: The closing price of one underlying share on any determination date other than the final determination date *times* the adjustment factor on such determination date
 · If, on any determination date, the determination closing price or the final share price, as applicable, is greater than or equal to the downside threshold level, we will pay a contingent quarterly coupon at an annual rate of 9.25% (corresponding to approximately \$0.23125 per quarter per security) on the related contingent payment date.
Contingent quarterly coupon:
 · If, on any determination date, the determination closing price or the final share price, as applicable, is less than the downside threshold level, no contingent quarterly coupon will be paid with respect to that determination date.
Determination dates: September 24, 2018, December 24, 2018, March 22, 2019, June 24, 2019, September 23, 2019, December 23, 2019, March 23, 2020, June 22, 2020, September 22, 2020 and December 22, 2020, subject to postponement for non-trading days and certain market disruption events. We also refer to December 22, 2020 as the final determination date.
Contingent payment dates: With respect to each determination date other than the final determination date, the third business day after the related determination date. The payment of the contingent quarterly coupon, if any,

with respect to the final determination date will be made on the maturity date.

Payment at maturity: · If the final share price is **greater than or equal to** the downside threshold level: (i) the stated principal amount *plus* (ii) the contingent quarterly coupon with respect to the final determination date

· If the final share price is **less than** the downside threshold level: (i) the stated principal amount *multiplied by* (ii) the share performance factor

Share performance factor: The final share price divided by the initial share price

Adjustment factor: 1.0, subject to adjustment in the event of certain events affecting the underlying shares

Downside threshold level: \$20.944, which is equal to 80% of the initial share price

Initial share price: \$26.18, which is equal to the closing price of one underlying share on the pricing date

Final share price: The closing price of one underlying share on the final determination date *times* the adjustment factor on such date

CUSIP: 61768Q791

ISIN: US61768Q7916

Listing: The securities will not be listed on any securities exchange. 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.”

Agent:

Estimated value on the pricing date: \$9.553 per security. 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	\$10.00	\$0.20 ⁽¹⁾	
		\$0.05 ⁽²⁾	\$9.75
Total	\$5,794,970	\$144,874.25	\$5,650,095.75

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 \$0.20 for each security they sell. See “Supplemental information regarding plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement.

⁽²⁾ 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 21.

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 product supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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

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

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

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

Prospectus dated November

16, 2017

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due December 28, 2020

Based on the Performance of the Shares of the VanEck Vectors Oil Services™ ETF

Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

The Contingent Income Auto-Callable Securities due December 28, 2020 Based on the Performance of the VanEck Vectors Oil Services™ ETF, which we refer to as the securities, provide an opportunity for investors to earn a contingent quarterly coupon at an annual rate of 9.25% with respect to each quarterly determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to 80% of the initial share price, which we refer to as the downside threshold level. It is possible that the closing price of the underlying shares could remain below the downside threshold level for extended periods of time or even throughout the term of the securities so that you may receive few or no contingent quarterly coupons.

If the determination closing price is greater than or equal to the initial share price on any of the first nine determination dates, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent quarterly coupon with respect to the related determination date. If the securities have not previously been redeemed and the final share price is greater than or equal to the downside threshold level, the payment at maturity will also be the sum of the stated principal amount and the contingent quarterly coupon with respect to the related determination date. However, if the securities have not previously been redeemed and the final share price is less than the downside threshold level, investors will be exposed to the decline in the closing price of the underlying shares, as compared to the initial share price, on a 1-to-1 basis. In this case, the payment at maturity will be less than 80% of the stated principal amount of the securities and could be zero. Investors in the securities must be willing to accept the risk of losing their entire principal and also the risk of not receiving any contingent quarterly coupon. In addition, investors will not participate in any appreciation of the underlying shares.

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 is less than \$10. We estimate that the value of each security on the pricing date is \$9.553.

What goes into the estimated value on the pricing date?

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

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the contingent quarterly coupon rate and the downside threshold level, 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 shares, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the

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secondary market, absent changes in market conditions, including those related to the underlying shares, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

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

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Key Investment Rationale

The securities offer investors an opportunity to earn a contingent quarterly coupon at an annual rate of 9.25% with respect to each determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to 80% of the initial share price, which we refer to as the downside threshold level. The securities may be redeemed prior to maturity for the stated principal amount per security *plus* the applicable contingent quarterly coupon, and the payment at maturity will vary depending on the final share price, as follows:

On any of the first nine determination dates, the determination closing price is *greater than or equal to* the initial share price.

Scenario 1 § The securities will be automatically redeemed for (i) the stated principal amount *plus* (ii) the contingent quarterly coupon with respect to the related determination date.

§ Investors will not participate in any appreciation of the underlying shares from the initial share price. The securities are not automatically redeemed prior to maturity, and the final share price is *greater than or equal to* the downside threshold level.

Scenario 2 § The payment due at maturity will be (i) the stated principal amount *plus* (ii) the contingent quarterly coupon with respect to the final determination date.

Scenario 3 § Investors will not participate in any appreciation of the underlying shares from the initial share price. The securities are not automatically redeemed prior to maturity, and the final share price is *less than* the downside threshold level.

§ The payment due at maturity will be equal to (i) the stated principal amount *multiplied by* (ii) the share performance factor.

§ Investors will lose a significant portion, and may lose all, of their principal in this scenario.

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Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the determination closing price and (2) the final share price.

Diagram #1: First Nine Determination Dates

Diagram #2: Payment at Maturity if No Automatic Early Redemption Occurs

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Hypothetical Examples

The below examples are based on the following terms:

Hypothetical Initial Share Price:	\$27.00
Hypothetical Downside Threshold Level:	\$21.60, which is 80% of the hypothetical initial share price
Hypothetical Adjustment Factor:	1.0
Contingent Quarterly Coupon:	9.25% per annum (corresponding to approximately \$0.23125 per quarter per security) ¹
Stated Principal Amount:	\$10 per security

¹ The actual contingent quarterly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 day-count basis. The hypothetical contingent quarterly coupon of \$0.23125 is used in these examples for ease of analysis.

In Examples 1 and 2, the closing price of the underlying shares fluctuates over the term of the securities and the determination closing price of the underlying shares is greater than or equal to the hypothetical initial share price of \$27.00 on one of the first nine determination dates. Because the determination closing price is greater than or equal to the initial share price on one of the first nine determination dates, the securities are automatically redeemed following the relevant determination date. In Examples 3 and 4, the determination closing price on the first nine determination dates is less than the initial share price, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

Determination Dates	Example 1			Example 2		
	Hypothetical Determination Closing Price / Final Share Price	Contingent Quarterly Coupon	Early Redemption Amount*	Hypothetical Determination Closing Price / Final Share Price	Contingent Quarterly Coupon	Early Redemption Amount
#1	\$14.95	\$0	N/A	\$22.00	\$0.23125	N/A
#2	\$27.00	—*	\$10.23125	\$15.75	\$0	N/A
#3	N/A	N/A	N/A	\$22.75	\$0.23125	N/A
#4	N/A	N/A	N/A	\$11.50	\$0	N/A
#5	N/A	N/A	N/A	\$21.75	\$0.23125	N/A

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#6	N/A	N/A	N/A	\$23.00	\$0.23125	N/A
#7	N/A	N/A	N/A	\$13.25	\$0	N/A
#8	N/A	N/A	N/A	\$32.40	—*	\$10.23125
#9	N/A	N/A	N/A	N/A	N/A	N/A
Final						
Determination	N/A	N/A	N/A	N/A	N/A	N/A
Date						

* The Early Redemption Amount includes the unpaid contingent quarterly coupon with respect to the determination date on which the determination closing price is greater than or equal to the initial share price and the securities are redeemed as a result.

In **Example 1**, the securities are automatically redeemed following the second determination date, as the § determination closing price on the second determination date is equal to the initial share price. You receive the early redemption payment, calculated as follows:

$$\text{stated principal amount} + \text{contingent quarterly coupon} = \$10.00 + \$0.23125 = \$10.23125$$

In this example, the early redemption feature limits the term of your investment to approximately 6 months, and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will stop receiving contingent coupons.

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In **Example 2**, the securities are automatically redeemed following the eighth determination date, as the determination closing price on the eighth determination date is greater than the initial share price. As the determination closing prices on the first, third, fifth and sixth determination dates are greater than or equal to the § downside threshold level, you receive the contingent coupon of \$0.23125 with respect to each such determination date. Following the eighth determination date, you receive an early redemption amount of \$10.23125, which includes the contingent quarterly coupon with respect to the eighth determination date.

In this example, the early redemption feature limits the term of your investment to approximately 24 months, and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will stop receiving contingent coupons. Further, although the underlying shares have appreciated by 20% from their initial share price as of the eighth determination date, you receive only \$10.23125 per security and do not benefit from such appreciation.

Determination Dates	Example 3			Example 4		
	Hypothetical Determination Closing Price / Final Share Price	Contingent Quarterly Coupon	Early Redemption Amount	Hypothetical Determination Closing Price / Final Share Price	Contingent Quarterly Coupon	Early Redemption Amount
#1	\$14.95	\$0	N/A	\$14.95	\$0	N/A
#2	\$15.75	\$0	N/A	\$11.50	\$0	N/A
#3	\$11.50	\$0	N/A	\$13.00	\$0	N/A
#4	\$15.25	\$0	N/A	\$13.25	\$0	N/A
#5	\$16.25	\$0	N/A	\$13.45	\$0	N/A
#6	\$12.45	\$0	N/A	\$15.80	\$0	N/A
#7	\$13.75	\$0	N/A	\$16.00	\$0	N/A
#8	\$13.60	\$0	N/A	\$13.80	\$0	N/A
#9	\$11.85	\$0	N/A	\$12.05	\$0	N/A
Final Determination Date	\$16.20	\$0	N/A	\$22.95	—*	N/A
Payment at Maturity	\$6.00			\$10.23125		

* The final contingent quarterly coupon, if any, will be paid at maturity.

Examples 3 and 4 illustrate the payment at maturity per security based on the final share price.

In **Example 3**, the closing price of the underlying shares remains below the downside threshold level on every determination date. As a result, you do not receive any contingent coupons during the term of the securities, and, at maturity, you are fully exposed to the decline in the closing price of the underlying shares. As the final share price is less than the downside threshold level, investors will receive a payment at maturity equal to the stated principal amount *multiplied by* the share performance factor, calculated as follows:

$$\text{stated principal amount} \times \text{share performance factor} = \$10.00 \times (\$16.20 / \$27.00) = \$6.00$$

In this example, the payment at maturity is significantly less than the stated principal amount.

In **Example 4**, the closing price of the underlying shares decreases to a final share price of \$22.95. Although the final share price is less than the initial share price, because the final share price is still not less than the downside threshold level, you receive the stated principal amount plus a contingent quarterly coupon with respect to the final determination date. Your payment at maturity is calculated as follows:

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$\$10.00 + \$0.23125 = \$10.23125$

In this example, although the final share price represents a 15% decline from the initial share price, you receive the stated principal amount per security plus the final contingent quarterly coupon, equal to a total payment of \$10.23125 per security at maturity, because the final share price is not less than the downside threshold level.

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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 product 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 do not guarantee the return of any principal. The terms of the securities differ from those of ordinary debt securities in that the securities do not guarantee the payment of regular interest or the return of any of the principal amount at maturity. Instead, if the securities have not been automatically redeemed prior to maturity and if the final share price is less than the downside threshold level, you will be exposed to the decline in the closing price of the underlying shares, as compared to the initial share price, on a 1-to-1 basis and you will receive a payment at maturity that will be less than 80% of the stated principal amount and could be zero.

You will not receive any contingent quarterly coupon for any quarterly period where the determination closing price is less than the downside threshold level. A contingent quarterly coupon will be paid with respect to a quarterly period only if the determination closing price is greater than or equal to the downside threshold level. If the determination closing price remains below the downside threshold level on each determination date over the term of the securities, you will not receive any contingent quarterly coupons.

The contingent quarterly coupon, if any, is based solely on the determination closing price or the final share price, as applicable. Whether the contingent quarterly coupon will be paid with respect to a determination date will be based on the determination closing price or the final share price, as applicable. As a result, you will not know whether you will receive the contingent quarterly coupon until the related determination date. Moreover, because the contingent quarterly coupon is based solely on the determination closing price on a specific determination date or the final share price, as applicable, if such determination closing price or final share price is less than the downside threshold level, you will not receive any contingent quarterly coupon with respect to such determination date, even if the closing price of the underlying shares was higher on other days during the term of the securities.

§ Investors will not participate in any appreciation in the price of the underlying shares. Investors will not participate in any appreciation in the price of the underlying shares from the initial share price, and the return on the securities will be limited to the contingent quarterly coupon, if any, that is paid with respect to each determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to the downside threshold level. It is possible that the closing price of the underlying shares could be below the downside

threshold level on most or all of the determination dates so that you will receive few or no contingent quarterly coupons. If you do not earn sufficient contingent quarterly 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.

The automatic early redemption feature may limit the term of your investment to approximately three months. If the securities are redeemed early, you may not be able to reinvest at comparable terms or returns.

§ The term of your investment in the securities may be limited to as short as approximately three months by the automatic early redemption feature of the securities. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly coupons and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

The market price will be influenced by many unpredictable factors. Several factors 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. Although we expect that generally the closing price of the underlying shares on any day will affect the value of the securities more than any other single factor, other factors that may influence the value of the securities include:

o the trading price, volatility (frequency and magnitude of changes in value) and dividends of the underlying shares and of the securities composing the MVIS™ U.S. Listed Oil Services 25 Index (the “share underlying index”),

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- o whether the determination closing price has been below the downside threshold level on any determination date,
 - o interest and yield rates in the market,
 - o the time remaining until the securities mature,
 - o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying shares or the securities markets generally and which may affect the final share price of the underlying shares,
 - o the occurrence of certain events affecting the underlying shares that may or may not require an adjustment to the adjustment factor, and
 - o any actual or anticipated changes in our credit ratings or credit spreads.

The price of the underlying shares may be, and has recently been, volatile, and we can give you no assurance that the volatility will lessen. See “VanEck Vectors Oil Services™ ETF Overview” below. You may receive less, and possibly significantly less, than the stated principal amount per security if you try to sell your securities prior to maturity.

§ Investing in the securities exposes investors to risks associated with investments in securities with a concentration in the oil services industry. Each of the equity securities held by the underlying shares has been issued by a company whose business is associated with the oil services industry, and so an investment in the securities will be concentrated in this industry. Oil services companies operate in a highly competitive and cyclical industry, with intense price competition. Recently, oil prices have declined significantly and experienced significant volatility, which may adversely affect companies operating in the oil services industry. The prices of the equity securities held by the underlying shares and, in turn, the price of the underlying shares will be affected by a number of factors that may either offset or magnify each other, including: worldwide energy prices, including all sources of energy, and exploration and production spending, changes in exchange rates and the price of oil and gas, government regulation, the imposition of import controls, world events, negative perception, depletion of resources and general economic conditions, development of alternative energy sources, energy conservation efforts, technological developments, labor relations, natural disasters and adverse weather conditions, as well as market, economic, social and political risks of the countries in which oil services companies are located or do business. As a result, the value of the securities may be subject to greater volatility and be more adversely affected by a single positive or negative economic, political or regulatory occurrence affecting this industry than a different investment linked to securities of

a more broadly diversified group of issuers.

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 on each contingent payment date, upon automatic redemption or 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.

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Investing in the securities is not equivalent to investing in the underlying shares or the securities composing the share underlying index. Investing in the securities is not equivalent to investing in the underlying shares, the § share underlying index or the securities that constitute the share underlying index. Investors in the securities will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying shares or the stocks that constitute the share underlying index.

Adjustments to the underlying shares or the index tracked by the underlying shares could adversely affect the value of the securities. The investment adviser to the VanEck Vectors Oil Services™ ETF, Van Eck Associates Corporation (the “Investment Adviser” or “Van Eck”), seeks investment results that correspond generally to the total return performance, before fees and expenses, of the share underlying index. Pursuant to its investment strategy or otherwise, the Investment Adviser may add, delete or substitute the stocks composing the VanEck Vectors Oil Services™ ETF. Any of these actions could adversely affect the price of the underlying shares and, consequently, § the value of the securities. Market Vectors is responsible for calculating and maintaining the share underlying index. Market Vectors may add, delete or substitute the stocks constituting the share underlying index or make other methodological changes that could change the value of the share underlying index. Market Vectors may discontinue or suspend calculation or publication of the share underlying index at any time. Any of these actions could adversely affect the value of the share underlying index, and, consequently, the price of the underlying shares and the value of the securities.

The performance and market price of the Fund, particularly during periods of market volatility, may not correlate with the performance of the share underlying index, the performance of the component securities of the share underlying index or the net asset value per share of the Fund. The Fund does not fully replicate the share underlying index and may hold securities that are different than those included in the share underlying index. In addition, the performance of the Fund will reflect additional transaction costs and fees that are not included in the § calculation of the share underlying index. All of these factors may lead to a lack of correlation between the performance of the Fund and the share underlying index. In addition, corporate actions (such as mergers and spin-offs) with respect to the equity securities underlying the Fund may impact the variance between the performances of the Fund and the share underlying index. Finally, because the shares of the Fund are traded on an exchange and are subject to market supply and investor demand, the market price of one share of the Fund may differ from the net asset value per share of the Fund.

In particular, during periods of market volatility, or unusual trading activity, trading in the securities underlying the Fund may be disrupted or limited, or such securities may be unavailable in the secondary market. Under these circumstances, the liquidity of the Fund may be adversely affected, market participants may be unable to calculate accurately the net asset value per share of the Fund, and their ability to create and redeem shares of the Fund may be disrupted. Under these circumstances, the market price of shares of the Fund may vary substantially from the net asset value per share of the Fund or the level of the share underlying index.

For all of the foregoing reasons, the performance of the Fund may not correlate with the performance of the share underlying index, the performance of the component securities of the share underlying index or the net asset value per share of the Fund. Any of these events could materially and adversely affect the price of the shares of the Fund and, therefore, the value of the securities. Additionally, if market volatility or these events were to occur on the final determination date, the calculation agent would maintain discretion to determine whether such market volatility or events have caused a market disruption event to occur, and such determination would affect the payment at maturity of the securities. If the calculation agent determines that no market disruption event has taken place, the payment at maturity would be based solely on the published closing price per share of the Fund on the final determination date, even if the Fund's shares are underperforming the share underlying index or the component securities of the share underlying index and/or trading below the net asset value per share of the Fund.

§ The antidilution adjustments the calculation agent is required to make do not cover every event that could affect