

MORGAN STANLEY
Form 424B2
October 30, 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 2021	\$500,000	\$60.60

October 2018

Pricing Supplement No. 1,069

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

Dated October 26, 2018

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index is **at or above** 70% of its respective initial index value, which we refer to as the respective **coupon threshold level**, on the related observation date. However, if the index closing value of **any** underlying index is **less than** its **coupon threshold level** on any observation date, we will pay no interest for the related quarterly period. In addition, starting six months after the original issue date, the securities will be automatically redeemed if the index closing value of **each** underlying index is **greater than or equal to** its respective **initial index value** on any quarterly redemption determination date, for the early redemption payment equal to the

sum of the stated principal amount plus the related contingent quarterly coupon. No further payments will be made on the securities once they have been redeemed. At maturity, if the securities have not previously been redeemed and the final index value of **each** underlying index is **greater than or equal to 70%** of its respective initial index value, which we refer to as the respective downside threshold level, the payment at maturity will be the stated principal amount and the related contingent quarterly coupon. If, however, the final index value of **any** underlying index is **less than** its respective downside threshold level, investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is **less than 70%** of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons throughout the 3-year term of the securities.** Because all payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective coupon threshold level or respective downside threshold level, as applicable, of any underlying index will result in few or no contingent coupon payments or a significant loss of your investment, even if one or both of the other underlying indices have appreciated or have not declined as much. The securities are for investors who are willing to risk their principal based on the worst performing of three underlying indices and who seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly coupons over the entire 3-year term, with no possibility of being called out of the securities until after the initial 6-month non-call period. Investors will not participate in any appreciation of any underlying index. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying indices:	Russell 2000® Index (the "RTY Index"), S&P 500 Index (the "SPX Index") and EURO STOXX 50 Index (the "SX5E Index")
Aggregate principal amount:	\$500,000
Stated principal amount:	\$1,000 per security
Issue price:	\$1,000 per security (see "Commissions and issue price" below)
Pricing date:	October 26, 2018
Original issue date:	October 31, 2018 (3 business days after the pricing date)
Maturity date:	October 29, 2021
Contingent quarterly coupon:	A <i>contingent</i> coupon will be paid on the securities on each coupon payment date but only if the index closing value of each underlying index is at or above its respective coupon threshold level on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 7.50% <i>per annum</i> for each interest payment period for each applicable observation date.

If, on any observation date, the index closing value of any underlying index is less than its respective coupon threshold level, we will pay no coupon for the applicable quarterly period. It is possible that any underlying index will remain below its respective coupon threshold level for extended periods of time or

even throughout the entire 3-year term of the securities so that you will receive few or no contingent quarterly coupons.

If the securities have not been automatically redeemed prior to maturity, the payment at maturity will be determined as follows:

If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.

Payment at maturity:

If the final index value of **any** underlying index is **less than** its respective downside threshold level, investors will receive (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 70% of the stated principal amount of the securities and could be zero.

Terms continued on the following page

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:

\$957.50 per security. See “Investment Summary” beginning on page 3.

Estimated value on the pricing date:

Commissions and issue price:

Per security

Total

	Price to public	Agent’s commissions⁽¹⁾	Proceeds to us⁽²⁾
	\$1,000	\$27	\$973
	\$500,000	\$13,500	\$486,500

Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$27 for each security they sell. See “Supplemental information regarding plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement.

(2) See “Use of proceeds and hedging” on page 28.

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 12.

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

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

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

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

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

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

Terms continued from previous page:

Early redemption: The securities are not subject to automatic early redemption until six months after the original issue date. Following this initial 6-month non-call period, if, on any redemption determination date, beginning on April 26, 2019, the index closing value of **each** underlying index is **greater than or equal to** its respective initial index value, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed.

The securities will not be redeemed early on any early redemption date if the index closing value of any underlying index is below the respective initial index value for such underlying index on the related redemption determination date.

Early redemption payment: The early redemption payment will be an amount equal to the stated principal amount for each security you hold *plus* the contingent quarterly coupon with respect to the related observation date.

Redemption determination dates: Beginning after six months, quarterly, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below, subject to postponement for non-index business days and certain market disruption events.

Early redemption dates: Beginning on May 1, 2019, quarterly. See “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below. If any such day is not a business day, that early redemption payment will be made on the next succeeding business day and no adjustment will be made to any early redemption payment made on that succeeding business day. With respect to the RTY Index: 1,038.675, which is approximately 70% of its initial index value

Downside threshold level: With respect to the SPX Index: 1,861.083, which is 70% of its initial index value

With respect to the SX5E Index: 2,194.423, which is 70% of its initial index value

With respect to the RTY Index: 1,038.675, which is approximately 70% of its initial index value

Coupon threshold level: With respect to the SPX Index: 1,861.083, which is 70% of its initial index value

With respect to the SX5E Index: 2,194.423, which is 70% of its initial index value

With respect to the RTY Index: 1,483.821, which is its index closing value on the pricing date

Initial index value: With respect to the SPX Index: 2,658.69, which is its index closing value on the pricing date

With respect to the SX5E Index: 3,134.89, which is its index closing value on the pricing date

With respect to each index, the respective index closing value on the final observation date

Final index value:

Worst performing underlying Index performance factor:

The underlying index with the largest percentage decrease from the respective initial index value to the respective final index value

Final index value *divided by* the initial index value

Coupon payment dates:

Quarterly, beginning January 31, 2019, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below; *provided* that if any such day is not a business day, that coupon payment will be made on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day. The contingent quarterly coupon, if any, with respect to the final observation date will be paid on the maturity date

Observation dates:

Quarterly, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below, subject to postponement for non-index business days and certain market disruption events. We also refer to the observation date immediately prior to the scheduled maturity date as the final observation date.

CUSIP / ISIN:

61768DGW9 / US61768DGW92

Listing:

The securities will not be listed on any securities exchange.

Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates

Observation Dates / Redemption Determination Dates	Coupon Payment Dates / Early Redemption Dates
January 28, 2019*	January 31, 2019*
April 26, 2019	May 1, 2019
July 26, 2019	July 31, 2019
October 28, 2019	October 31, 2019
January 27, 2020	January 30, 2020
April 27, 2020	April 30, 2020
July 27, 2020	July 30, 2020
October 26, 2020	October 29, 2020
January 26, 2021	January 29, 2021
April 26, 2021	April 29, 2021
July 26, 2021	July 29, 2021
October 26, 2021 (final observation date)	October 29, 2021 (maturity date)

* The securities are not subject to automatic early redemption until the second coupon payment date, which is May 1, 2019.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index (the “securities”) do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** underlying index is **at or above** its respective **coupon threshold level** on the related observation date. However, if the index closing value of **any** underlying index is **less than** its respective **coupon threshold level** on any observation date, we will pay no interest for the related quarterly period. If the index closing value of **any** underlying index is **less than** its respective **coupon threshold level** on each observation date, you will not receive any contingent quarterly coupon for the entire 3-year term of the securities. We refer to these coupons as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date. Even if each underlying index were to be at or above its respective coupon threshold level on some quarterly observation dates, they may not all close at or above their respective coupon threshold levels on other observation dates, in which case you will not receive some contingent quarterly coupon payments. In addition, if the securities have not been automatically called prior to maturity and the final index value of **any underlying index** is **less than** its respective downside threshold level, investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 70% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons throughout the entire 3-year term of the securities.**

Maturity: Approximately 3 years

Contingent quarterly coupon: A *contingent* quarterly coupon will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective **coupon threshold level** on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 7.50% *per annum* for each interest

payment period for each applicable observation date. **If, on any observation date, the index closing value of any underlying index is less than the respective coupon threshold level, we will pay no coupon for the applicable quarterly period.**

Automatic early redemption beginning after six months:

If the index closing value of **each** underlying index is **greater than or equal to** its **initial index value** on any quarterly redemption determination date, beginning on April 26, 2019 (approximately six months after the original issue date), the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date. No further payments will be made on the securities once they have been redeemed.

If the securities have not been automatically redeemed prior to maturity, the payment at maturity will be determined as follows:

If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.

Payment at maturity:

If the final index value of **any** underlying index is **less than** its threshold level, investors will receive a payment at maturity equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 70% of the stated principal amount of the securities and could be zero. No quarterly coupon will be payable at maturity. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.**

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

The original issue price of each security is \$1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than \$1,000. We estimate that the value of each security on the pricing date is \$957.50.

What goes into the estimated value on the pricing date?

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

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the contingent quarterly coupon rate, the coupon threshold levels and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

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

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

Edgar Filing: MORGAN STANLEY - Form 424B2

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

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

October 2018 Page 4

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

Key Investment Rationale

The securities do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** underlying index is **at or above** its respective **coupon threshold level** on the related observation date. However, if the index closing value of **any** underlying index is **less than** its respective **coupon threshold level** on any observation date, we will pay no interest for the related quarterly period. The securities have been designed for investors who are willing to forgo market floating interest rates and accept the risk of receiving no coupon payments for the entire 3-year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if each underlying index closes at or above its respective coupon threshold level on the quarterly observation dates until the securities are redeemed early or reach maturity.

The following scenarios are for illustrative purposes only to demonstrate how the coupon and the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed, the contingent quarterly coupon may be payable in none of, or some but not all of, the quarterly periods during the 3-year term of the securities and the payment at maturity may be less than 70% of the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity

This scenario assumes that, prior to early redemption, each underlying index closes at or above its **coupon threshold level** on some quarterly observation dates, but one or more underlying indices close below the respective coupon threshold level(s) on the others. Investors receive the contingent quarterly coupon, corresponding to a return of 7.50% *per annum*, for the quarterly periods for which each index closing value is at or above the respective coupon threshold level on the related observation date, but not for the quarterly periods for which any index closing value is below the respective coupon threshold level on the related observation date.

Starting after six months, when **each** underlying index closes at or above its respective **initial index value** on a quarterly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the contingent quarterly coupon with respect to the related observation date.

Edgar Filing: MORGAN STANLEY - Form 424B2

Scenario 2: The securities are not redeemed prior to maturity, and investors receive principal back at maturity

This scenario assumes that each underlying index closes at or above the respective coupon threshold level on some quarterly observation dates, but one or more underlying indices close below the respective coupon threshold level(s) on the others, and each underlying index closes below its respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed, and investors receive the contingent quarterly coupon, corresponding to a return of 7.50% *per annum*, for the quarterly periods for which each index closing value is at or above the respective coupon threshold level on the related observation date, but not for the quarterly periods for which any index closing value is below the respective coupon threshold level on the related observation date.

On the final observation date, each underlying index closes at or above its downside threshold level. At maturity, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.

October 2018 Page 5

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity

This scenario assumes that each underlying index closes at or above its respective coupon threshold level on some quarterly observation dates, but one or more underlying indices close below the respective coupon threshold level(s) on the others, and each underlying index closes below its respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed, and investors receive the contingent quarterly coupon, corresponding to a return of 7.50% *per annum*, for the quarterly periods for which each index closing value is at or above the respective coupon threshold level on the related observation date, but not for the quarterly periods for which any index closing value is below the respective coupon threshold level on the related observation date.

On the final observation date, one or more underlying indices close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 70% of the stated principal amount and could be zero. No coupon will be paid at maturity in this scenario.

October 2018 Page 6

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the index closing values on each quarterly observation date, (2) the index closing values on each quarterly redemption determination date (starting after six months) and (3) the final index values. Please see “Hypothetical Examples” beginning on page 10 for illustration of hypothetical payouts on the securities.

Diagram #1: Contingent Quarterly Coupons (Beginning on the First Coupon Payment Date until Early Redemption or Maturity)

Diagram #2: Automatic Early Redemption (Starting after six months)

October 2018 Page 7

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

Diagram #3: Payment at Maturity if No Automatic Early Redemption Occurs

For more information about the payout upon an early redemption or at maturity in different hypothetical scenarios, see “Hypothetical Examples” starting on page 9.

October 2018 Page 8

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent quarterly coupon is paid with respect to an observation date and how to calculate the payment at maturity, if any, if the securities have not been automatically redeemed early. The following examples are for illustrative purposes only. Whether you receive a contingent quarterly coupon will be determined by reference to the index closing value of each underlying index on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final index value of each underlying index on the final observation date. The actual initial index value, coupon threshold level and downside threshold level for each underlying index are set forth on the cover of this document. All payments on the securities, if any, are subject to our credit risk. The numbers in the hypothetical examples below may have been rounded for the ease of analysis. The below examples are based on the following terms:

Contingent Quarterly Coupon:	<p>A <i>contingent</i> quarterly coupon will be paid on the securities on each coupon payment date but only if the index closing value of each underlying index is at or above its respective coupon threshold level on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of <i>7.50% per annum</i> for each interest payment period for each applicable observation date. These hypothetical examples reflect the contingent quarterly coupon rate of <i>7.50% per annum</i> (corresponding to approximately \$18.75 per quarter per security*).</p>
Automatic Early Redemption (starting after six months):	<p>If the index closing value of each underlying index is greater than or equal to its respective initial index value on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount <i>plus</i> the contingent quarterly coupon with respect to the related observation date.</p> <p>If the final index value of each underlying index is greater than or equal to its respective downside threshold level, investors will receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.</p>
Payment at Maturity (if the securities have not been automatically redeemed early):	<p>If the final index value of any underlying index is less than its respective downside threshold level, investors will receive a payment at maturity equal to the stated principal amount <i>multiplied by</i> the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 70% of the stated principal amount of the securities and could be zero.</p> <p>\$1,000</p>

Stated Principal
Amount:

With respect to the RTY Index: 1,200

Hypothetical Initial
Index Value:

With respect to the SPX Index: 2,500

With respect to the SX5E Index: 3,000

With respect to the RTY Index: 840, which is 70% of the hypothetical initial index value for such index

Hypothetical Coupon
Threshold Level:

With respect to the SPX Index: 1,750, which is 70% of the hypothetical initial index value for such index

With respect to the SX5E Index: 2,100, which is 70% of the hypothetical initial index value for such index

With respect to the RTY Index: 840, which is 70% of the hypothetical initial index value for such index

Hypothetical
Downside Threshold
level:

With respect to the SPX Index: 1,750, which is 70% of the hypothetical initial index value for such index

With respect to the SX5E Index: 2,100, which is 70% of the hypothetical initial index value for such index

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

* 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 basis. The hypothetical contingent quarterly coupon of \$18.75 is used in these examples for ease of analysis.

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

	Index Closing Value			Contingent
	RTY Index	SPX Index	SX5E Index	Quarterly Coupon
Hypothetical Observation Date 1	1,750 (at or above the coupon threshold level)	2,800 (at or above the coupon threshold level)	3,200 (at or above the coupon threshold level)	\$18.75
Hypothetical Observation Date 2	800 (below the coupon threshold level)	1,950 (at or above the coupon threshold level)	3,200 (at or above the coupon threshold level)	\$0
Hypothetical Observation Date 3	1,400 (at or above the coupon threshold level)	900 (below the coupon threshold level)	2,200 (below the coupon threshold level)	\$0
Hypothetical Observation Date 4	700 (below the coupon threshold level)	800 (below the coupon threshold level)	1,800 (below the coupon threshold level)	\$0

On hypothetical observation date 1, each underlying index closes at or above its respective coupon threshold level. Therefore, a contingent quarterly coupon of \$18.75 is paid on the relevant coupon payment date.

On each of hypothetical observation dates 2 and 3, at least one underlying index closes at or above its respective coupon threshold level, but one or both of the other underlying indices close below their respective coupon threshold levels. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 4, each underlying index closes below its respective coupon threshold level, and, accordingly, no contingent quarterly coupon is paid on the relevant coupon payment date.

If the index closing value of any underlying index is less than its respective coupon threshold level on each observation date, you will not receive any contingent quarterly coupons for the entire 3-year term of the

securities.

October 2018 Page 10

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000® Index, the S&P 500® Index and the EURO STOXX 50® Index

Principal at Risk Securities

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

Starting after six months, if the index closing value of each underlying index is greater than or equal to its initial index value on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount for each security you hold *plus* the contingent quarterly coupon with respect to the related observation date.

The examples below illustrate how to calculate the payment at maturity if the securities have not been automatically redeemed prior to maturity.

	Final Index Value RTY Index	SPX Index	SX5E Index	Payment at Maturity
Example 1:	540 (below the downside threshold level)	1,500 (below the downside threshold level)	2,500 (at or above the downside threshold level)	\$1,000 x index performance factor of the worst performing underlying index = $\$1,000 \times (540 / 1,200) = \450
Example 2:	1,200 (at or above the downside threshold level)	2,000 (at or above the downside threshold level)	1,200 (below the downside threshold level)	$\$1,000 \times (1,200 / 3,000) = \400
Example 3:	540 (below the downside threshold level)	1,500 (below the downside threshold level)	900 (below the downside threshold level)	$\$1,000 \times (900 / 3,000) = \300
Example 4:	360 (below the threshold level)	1,000 (below the threshold level)	1,200 (below the downside threshold level)	$\$1,000 \times (360 / 1,200) = \300
Example 5:	1,300 (at or above the downside threshold level)	3,000 (at or above the downside threshold level)	3,300 (at or above the downside threshold level)	The stated principal amount + the contingent quarterly coupon with respect to the final observation date.

For more information, please see above under “How to determine whether a contingent quarterly

coupon is payable with respect to an observation date.”

In examples 1 and 2, the final index value(s) of one or two of the underlying indices are at or above the respective downside threshold level(s), but the final index value(s) of one or both of the other underlying indices are below the respective downside threshold level(s). Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity and receive at maturity an amount equal to the stated principal amount *multiplied by* the index performance factor of the worst performing underlying index. Moreover, investors do not receive any contingent quarterly coupon for the final quarterly period.

Similarly, in examples 3 and 4, the final index value of each underlying index is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. In example 3, the RTY Index has declined 55% from its initial index value to its final index value, the SPX Index has declined 40% from its initial index value to its final index value and the SX5E Index has declined 70% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *multiplied by* the index performance factor of the SX5E Index, which is the worst performing underlying index in this example. In example 4, the RTY Index has declined 70% from its initial index value to its final index value, the SPX Index has declined 60% from its initial index value to its final index value and the SX5E Index has declined 60% from its initial index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the RTY Index, which is the worst performing underlying index in this example. Moreover, investors do not receive the contingent quarterly coupon for the final quarterly period.

In example 5, the final index value of each underlying index is at or above its respective downside threshold level. Therefore, investors receive at maturity the stated principal amount of the securities *plus* the contingent quarterly coupon with respect to the final observation date. However, investors do not participate in any appreciation of the underlying indices.

If the final index value of ANY underlying index is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying index at maturity, and your payment at maturity will be less than \$700 per security and could be zero.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

Risk Factors

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

The securities do not guarantee the return of any principal. The terms of the securities differ from those of ordinary debt securities in that they do not guarantee the repayment of any principal. If the securities have not been automatically redeemed prior to maturity, and if the final index value of **any** underlying index is less than its threshold level of 70% of its initial index value, you will be exposed to the decline in the index closing value of the § worst performing underlying index, as compared to its initial index value, on a 1-to-1 basis, and you will receive for each security that you hold at maturity an amount equal to the stated principal amount *multiplied by* the index performance factor of the worst performing underlying index. **In this case, the payment at maturity will be less than 70% of the stated principal amount and could be zero.**

The securities do not provide for the regular payment of interest. The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest. Instead, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** underlying index is **at or above** its respective **coupon threshold level** on the related observation date. If the index closing value of **any** underlying index is lower than its **coupon threshold level** on the relevant observation date for any interest period, we will pay § no coupon on the applicable coupon payment date. It is possible that the index closing value of any underlying index will be less than its respective **coupon threshold level** for extended periods of time or even throughout the entire term of the securities 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.

§ You are exposed to the price risk of each underlying index, with respect to both the contingent quarterly coupons, if any, and the payment at maturity, if any. Your return on the securities is not linked to a basket consisting of the underlying indices. Rather, it will be contingent upon the independent performance of each underlying index. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is mitigated and diversified among all the components of the basket, you will be exposed to the risks related to each underlying index. Poor performance by **any** underlying index over the term of the securities will negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying indices. To receive **any** contingent quarterly coupons,

each underlying index must close at or above its respective coupon threshold level on the applicable observation date. In addition, if the securities have not been automatically redeemed early and any underlying index has declined to below its respective downside threshold level as of the final observation date, you will be **fully exposed** to the decline in the worst performing underlying index over the term of the securities on a 1-to-1 basis, even if one or both of the other underlying indices have appreciated or have not declined as much. Under this scenario, the value of any such payment will be less than 70% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of each underlying index.

Because the securities are linked to the performance of the worst performing underlying index, you are exposed to greater risks of receiving no contingent quarterly coupons and sustaining a significant loss on your investment than if the securities were linked to just one index. The risk that you will not receive any contingent quarterly coupons, or that you will suffer a significant loss on your investment, is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one underlying § index. With three underlying indices, it is more likely that any underlying index will close below its coupon threshold level on any observation date, and below its downside threshold level on the final observation date, than if the securities were linked to only one underlying index. Therefore, it is more likely that you will not receive any contingent quarterly coupons and that you will suffer a significant loss on your investment. In addition, because each underlying index must close above its initial index value on a quarterly redemption determination date in order for the securities to be called prior to

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due October 29, 2021, with 6-Month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Russell 2000[®] Index, the S&P 500[®] Index and the EURO STOXX 50[®] Index

Principal at Risk Securities

maturity, the securities are less likely to be called on any early redemption date than if the securities were linked to just one underlying index.

The contingent quarterly coupon, if any, is based on the value of each underlying index on only the related quarterly observation date at the end of the related interest period. Whether the contingent quarterly coupon will be paid on any coupon payment date will be determined at the end of the relevant interest period based on the index closing value of each underlying index on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent quarterly coupon on any coupon payment date until near the end of the § relevant interest period. Moreover, because the contingent quarterly coupon is based solely on the value of each underlying index on quarterly observation dates, if the index closing value of any underlying index on any observation date is below the coupon threshold level for such index, you will not receive the contingent quarterly coupon for the related interest period, even if the level of such underlying index was at or above its respective coupon threshold level on other days during that interest period, and even if the index closing value(s) of one or both of the other underlying indices are at or above their respective coupon threshold level(s).

Investors will not participate in any appreciation in any underlying index. Investors will not participate in any appreciation in any underlying index from the initial index value for such index, and the return on the securities will § be limited to the contingent quarterly coupons, if any, that are paid with respect to each observation date on which the index closing value of each underlying index is greater than or equal to its respective coupon threshold level, if any.

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