

MORGAN STANLEY  
Form FWP  
March 05, 2019

Free Writing Prospectus to Preliminary Terms No. 1,684

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

Morgan Stanley Finance LLC

Dated March 4, 2019

Filed pursuant to Rule 433

Structured Investments

Jump Securities with Auto-Callable Feature due March 31, 2022

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

**This document provides a summary of the terms of the securities offered by Morgan Stanley Finance LLC. Investors should review carefully the accompanying preliminary terms, product supplement, index supplement and prospectus prior to making an investment decision.**

#### SUMMARY TERMS

Issuer: Morgan Stanley Finance LLC (“MSFL”)

Guarantor: Morgan Stanley

Maturity date: March 31, 2022

Underlying indices: S&P 500<sup>®</sup> Index (the “SPX Index”), EURO STOXX 50<sup>®</sup> Index (the “SX5E Index”) and Russell 2000<sup>®</sup> Index (the “RTY Index”). For more information about the underlying indices, see the accompanying preliminary terms.

Issue Price \$1,000 per security

If, on any annual determination date, beginning March 27, 2020, the index closing value of **each** underlying index is **greater than or equal to** its respective call threshold level, the securities will be automatically redeemed for the applicable early redemption payment on the related early redemption date.

Early redemption:

*The securities will not be redeemed early on any early redemption date if the index closing value of any underlying index is below its respective call threshold level on the related determination date.*

The early redemption payment will be an amount in cash per stated principal amount (corresponding to a return of at least 10.50% per annum, to be determined on the pricing date) for each annual determination date, as follows:

Early redemption payment: 1<sup>st</sup> determination date: At least \$1,105.00

2<sup>nd</sup> determination date: At least \$1,210.00

No further payments will be made on the securities once they have been redeemed.

Determination dates: 1<sup>st</sup> determination date: March 27, 2020

2<sup>nd</sup> determination date: March 26, 2021

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Final determination date: March 28, 2022

The determination dates are subject to postponement for non-index business days and certain market disruption events.

Early redemption dates:

The third business day after the relevant determination date

With respect to the SPX Index, , which is 70% of its initial index value

Downside threshold level:

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

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

With respect to the SPX Index, , which is 95% of its initial index value

Call threshold level: With respect to the SX5E Index, , which is 95% of its initial index value

With respect to the RTY Index, , which is 95% of its initial index value

If the securities have not previously been redeemed, you will receive at maturity a cash payment per security as follows:

- If the final index value of **each underlying index** is **greater than or equal to** its respective call threshold level:

At least \$1,315.00 (to be determined on the pricing date)

Payment at maturity:

- If the final index value of **any underlying index is less than** its respective call threshold level but the final index value of **each underlying index is greater than or equal to** its respective downside threshold level:

\$1,000

- If the final index value of **any underlying index** is **less than** its respective downside threshold level:

$\$1,000 \times$  index performance factor of the worst performing underlying index

*Under these circumstances, you will lose more than 30%, and possibly all, of your investment.*

Index percent change:

With respect to each underlying index,  $(\text{final index value} - \text{initial index value}) / \text{initial index value}$

Worst performing underlying index:

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

Index performance factor

With respect to each underlying index,  $\text{final index value} / \text{initial index value}$

Initial index value:

With respect each underlying index, the index closing value of such index on the pricing date

Final index value:

With respect to each underlying index, the index closing value of such index on the final determination date

Stated principal amount:

\$1,000 per security

Pricing date:

March 26, 2019

Original issue date:

March 29, 2019 (3 business days after the pricing date)

CUSIP / ISIN:

61768DY33 / US61768DX426

Listing:

The securities will not be listed on any securities exchange.

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Agent: Morgan Stanley & Co. LLC, an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See “Supplemental information regarding plan of distribution; conflicts of interest” in the accompanying preliminary terms. The agent commissions will be as set forth in the final pricing supplement.

**Estimated value on the pricing date:** Approximately \$949.90 per security, or within \$22.50 of that estimate. See “Investment Summary” in the accompanying preliminary terms.

### Overview

The securities offered are unsecured obligations of MSFL and are fully and unconditionally guaranteed by Morgan Stanley. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest and have the terms described in the accompanying preliminary terms, product supplement, index supplement and prospectus. The securities will be automatically redeemed if the index closing value of **each** of the S&P 500<sup>®</sup> Index, the EURO STOXX 50<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index, which we refer to as the underlying indices, on any of the annual determination dates is greater than or equal to 95% of its respective initial index value, which we refer to as the respective call threshold level, for an early redemption payment that will increase over the term of the securities. 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** its respective call threshold level, investors will receive a fixed positive return, as set forth herein. If the securities have not previously been redeemed and the final index value of **any underlying index is less than** its respective call threshold level but 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, investors will receive a payment at maturity of \$1,000 per \$1,000 security. However, if the securities are not redeemed prior to maturity and the final index value of **any underlying index is less than** its respective downside threshold level, investors will be 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.** The securities are for investors who are willing to forego current income and participation in the appreciation of any underlying index in exchange for the possibility of receiving an early redemption payment or payment at maturity greater than the stated principal amount if each underlying index closes at or above the respective call threshold level on an annual determination date or the final determination date, respectively. Because all payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective downside threshold level of any underlying index will result in a significant loss of your investment, even if the other underlying indices have appreciated or have not declined as much. 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.**

*Investing in the securities involves risks. See “Selected Risks” on the following page and “Risk Factors” in the accompanying preliminary terms.*

**You should read this document together with the accompanying preliminary terms, product supplement, index supplement and prospectus describing the offering before you decide to invest. You may access the preliminary terms through the below link:**

[https://www.sec.gov/Archives/edgar/data/895421/000095010319002870/dp103296\\_fwp-ps1684.htm](https://www.sec.gov/Archives/edgar/data/895421/000095010319002870/dp103296_fwp-ps1684.htm)

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1-800-584-6837.

## Risk Considerations

The risks set forth below are discussed in more detail in the “Risk Factors” section in the accompanying preliminary terms. Please review those risk factors carefully prior to making an investment decision.

- The securities do not pay interest or guarantee the return of any principal.

- The appreciation potential of the securities is limited by the fixed early redemption payment or payment at maturity specified for each determination date.

- You are exposed to the price risk of both underlying indices.

  - The market price will be influenced by many unpredictable factors.

- 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.

  - As a finance subsidiary, MSFL has no independent operations and will have no independent assets.

  - There are risks associated with investments in securities linked to the value of foreign equity securities.

- The securities are linked to the Russell 2000<sup>®</sup> Index and are subject to risks associated with small-capitalization companies.

- As a finance subsidiary, MSFL has no independent operations and will have no independent assets.

- Investing in the securities is not equivalent to investing in either underlying index.

- If the securities are redeemed prior to maturity, you will receive no further payments on the securities 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 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

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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.

The securities will not be listed on any securities exchange and secondary trading may be limited, and accordingly, you should be willing to hold your securities for the entire 3-year term of the securities.

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.

Hedging and trading activity by our affiliates could potentially adversely affect the value of the securities.

The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities.

The U.S. federal income tax consequences of an investment in the securities are uncertain.

### Tax Considerations

You should review carefully the discussion in the accompanying preliminary terms under the caption “Additional Information About the Securities– Tax considerations” concerning the U.S. federal income tax consequences of an investment in the securities. However, you should consult your tax adviser regarding all aspects of the U.S. federal income tax consequences of an investment in the securities, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Hypothetical Examples

The following hypothetical examples are for illustrative purposes only. Whether the securities are redeemed prior to maturity will be determined by reference to the index closing value of each underlying index on each of the annual determination dates, and the payment at maturity, if any, will be determined by reference to the index closing value of each underlying index on the final determination date. The actual early redemption payment with respect to each applicable determination date, initial index values, call threshold levels and downside threshold levels will be determined on the pricing date. Some numbers appearing in the examples below have been rounded for ease of analysis. All payments on the securities are subject to our credit risk. The below examples are based on the following terms:

The hypothetical early redemption payment will be an amount in cash per stated principal amount (corresponding to a return of approximately 10.50% *per annum*) for each annual determination date, as follows:

Hypothetical Early  
Redemption Payment:

·1st determination date: \$1,105.00

·2nd determination date: \$1,210.00

Payment at Maturity

No further payments will be made on the securities once they have been redeemed. If the securities have not previously been redeemed, you will receive at maturity a cash payment per security as follows:

· If the final index value of **each** underlying index is **greater than or equal to** its respective call threshold level:

\$1,315.00 (the actual payment at maturity for this scenario will be determined on the pricing date)

· If the final index value of **any** underlying index is **less than** its respective call threshold level but the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level:

\$1,000

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- If the final index value of **any** underlying index is **less than** its respective downside threshold level:

\$1,000 × index performance factor of the worst performing underlying index.

**Under these circumstances, you will lose a significant portion or all of your investment.**

Stated Principal  
Amount:

\$1,000

With respect to the SPX Index: 2,500

Hypothetical Initial  
Index Value:

With respect to the SX5E Index: 3,200

With respect to the RTY Index: 1,200

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

Hypothetical Downside  
Threshold Level:

With respect to the SX5E Index: 2,240, which is 70% of its hypothetical initial index value

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

With respect to the SPX Index: 2,375, which is 95% of its hypothetical initial index value

Hypothetical Call  
Threshold Level:

With respect to the SX5E Index: 3,040, which is 95% of its hypothetical initial index value

With respect to the RTY Index: 1,140, which is 95% of its hypothetical initial index value



**Automatic Call:****Example 1 — the securities are redeemed following the second determination date**

| Date                               | SPX Index Closing Value                              | SX5E Index Closing Value                             | RTY Index Closing Value                              | Payment (per Security) |
|------------------------------------|--|--|--|------------------------|
| 1 <sup>st</sup> Determination Date | 2,000 ( <b>below</b> the call threshold level)       | 3,100 ( <b>at or above</b> the call threshold level) | 1,400 ( <b>at or above</b> the call threshold level) | --                     |
| 2 <sup>nd</sup> Determination Date | 2,800 ( <b>at or above</b> the call threshold level) | 3,200 ( <b>at or above</b> the call threshold level) | 1,750 ( <b>at or above</b> the call threshold level) | \$1,210.00             |

In this example, on the first determination date, the index closing values of two of the underlying indices are at or above their respective call threshold levels, but the index closing value of the other underlying index is below its respective call threshold level. Therefore, the securities are not redeemed. On the second determination date, the index closing value of each underlying index is at or above the respective call threshold level. Therefore, the securities are automatically redeemed on the second early redemption date. Investors will receive a payment of \$1,210.00 per security on the related early redemption date. No further payments will be made on the securities once they have been redeemed, and investors do not participate in the appreciation in any underlying index.

How to calculate the payment at maturity:

In the following examples, one or more of the underlying indices close below the respective call threshold level(s) on each of the annual determination dates, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

|            | SPX Index Final Index Value   | SX5E Index Final Index Value   | RTY Index Final Index Value   | Payment at Maturity (per Security) |
|------------|---|--|---|------------------------------------|
| Example 1: | 4,000 ( <b>at or above</b> its call threshold level)                              | 4,200 ( <b>at or above</b> its call threshold level)   | 2,500 ( <b>at or above</b> its call threshold level)                              | \$1,315.00                         |
| Example 2: | 3,000 ( <b>at or above</b> its call threshold level and downside threshold level) | 2,560 ( <b>below</b> its call threshold level but <b>at or above</b> its downside threshold level) | 1,320 ( <b>at or above</b> its call threshold level and downside threshold level) | \$1,000                            |
| Example 3: | 3,000 ( <b>at or above</b> its call threshold level and downside threshold level) | 4,000 ( <b>at or above</b> its call threshold level and downside threshold level)                  | 480 ( <b>below</b> its downside threshold level)                                  | \$1,000 x (480 / 1,200) = \$400    |

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|            |   |  |  |  |
|------------|---|--|--|--|
| Example 4: | 3,000 ( <b>at or above</b> its call threshold level and downside threshold level) | 640 ( <b>below</b> its downside threshold level)   | 900 ( <b>below</b> its call threshold level but <b>at or above</b> its downside threshold level) | $\$1,000 \times (640 / 3,200) = \$200$ |
| Example 5: | 500 ( <b>below</b> its downside threshold level)                                  | 1,440 ( <b>below</b> its downside threshold level) | 600 ( <b>below</b> its downside threshold level)   | $\$1,000 \times (500 / 2,500) = \$200$ |

In example 1, the final index value of each underlying index is at or above its respective call threshold level. Therefore, investors receive at maturity a fixed positive return. Investors do not participate in any appreciation in any underlying index.

In example 2, the final index values of two of the underlying indices are at or above their call threshold levels and downside threshold levels, but the final index value of the other underlying index is below its call threshold level and at or above its downside threshold level. The SPX Index has increased 20% from its initial index value to its final index value, the RTY Index has increased 10% from its initial index value to its final index value and the SX5E Index has declined 20% from its initial index value to its final index value. Therefore, investors receive \$1,000 per security at maturity. Investors do not participate in any appreciation in any underlying index.

In example 3, the final index values of two of the underlying indices are at or above their call threshold levels and downside threshold levels, but the final index value of the other underlying index is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity. The SPX Index has increased 20% from its initial index value to its final index value, the SX5E Index has increased 25% from its initial index value to its final index value and the RTY Index has declined 60% from its initial index value to its final index value. Therefore, investors receive at maturity an amount equal to the stated principal amount times the index performance factor of the RTY Index, which is the worst performing underlying index in this example.

In example 4, the final index value of one of the underlying indices is at or above its call threshold level and downside threshold level, the final index value of one of the underlying indices is below its call threshold level and at or above its downside threshold level, and the final index value of the other underlying index is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity. The SPX Index has increased 20% from its initial index value to its final index value, the RTY Index has declined 25% from its initial index value to its final index value and the SX5E Index has declined 80% from its initial index value to its final index value. Therefore, investors receive at maturity an amount equal to the stated principal amount times the index performance factor of the SX5E Index, which is the worst performing underlying index in this example.

In example 5, 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. The SPX Index has declined 80% from its initial index value to its final index value, the SX5E Index has declined 55% from its initial index value to its final index value and the RTY Index has declined 50% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the SPX Index, which is the worst performing underlying index in this example.

**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 70% of the stated principal amount per security and could be zero.**

S&P 500® Index Historical Performance

The following graph sets forth the daily index closing values of the S&P 500® Index for each quarter in the period from January 1, 2014 through February 25, 2019. You should not take the historical values of the S&P 500® Index as an indication of its future performance, and no assurance can be given as to the index closing value of the S&P 500® Index on the valuation date.

S&P 500® Index

Daily Index Closing Values

January 1, 2014 to February 25, 2019

EURO STOXX 50® Index Historical Performance

The following graph sets forth the daily index closing values of the EURO STOXX 50® Index for each quarter in the period from January 1, 2014 through February 25, 2019. You should not take the historical values of the EURO STOXX 50® Index as an indication of its future performance, and no assurance can be given as to the index closing value of the EURO STOXX 50® Index on the valuation date.

EURO STOXX 50® Index

Daily Index Closing Values

January 1, 2014 to February 25, 2019

Russell 2000® Index Historical Performance

The following graph sets forth the daily index closing values of the Russell 2000® Index for each quarter in the period from January 1, 2014 through February 25, 2019. You should not take the historical values of the Russell 2000® Index as an indication of its future performance, and no assurance can be given as to the index closing value of the Russell 2000® Index on the valuation date.

Russell 2000® Index

Daily Index Closing Values

January 1, 2014 to February 25, 2019