MORGAN STANLEY
Form 424B2
May 02, 2019

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*Amount of Registration Fee*
Equity-Linked Partial Principal at Risk Securities due 2021	$2,013,000	$243.98

April 2019

Pricing Supplement No. 1,818

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

Dated April 30, 2019

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Equity-Linked Partial Principal at Risk Securities, which we refer to as the securities, are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities will pay no interest, provide for a minimum payment amount of only 95% of principal at maturity and have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented and modified by this document. The payment at maturity on the securities will be based on the performance of the worst performing of the Russell 2000® Index and the S&P 500® Index. At maturity, if the final index value of **each** of the underlying indices is greater than its respective initial index value, investors will receive the stated principal amount of their investment plus a supplemental redemption amount reflecting 100% of the appreciation of the worst performing underlying index from its initial index value to its final index value, subject to the maximum payment amount. The supplemental redemption amount will therefore be payable only if **both** underlying indices have appreciated from their respective initial index values. However, if at maturity the final index value of **either** underlying index has depreciated in value, investors will lose 1% for every 1% decline in the worst performing underling index from its initial index value to its final index value, subject to the minimum payment amount.

Investors may lose up to 5% of the stated principal amount of the securities. Because the payment at maturity is based on the worst performing of the underlying indices, a decline in either underlying index will result in a loss of up to 5% of your investment even if the other underlying index has appreciated or has not declined as much. The securities are for investors who are concerned about principal risk, but seek an equity index-based return, and who are willing to risk 5% of their principal and to forgo current income and upside returns above the maximum payment amount in exchange for the repayment of at least 95% of the principal at maturity and the opportunity to earn a return reflecting 100% of the appreciation of the worst performing underlying index from its initial index value to its final index value, subject to the maximum payment amount. The securities are securities issued as part of MSFL's Series A Global Medium-Term Notes program.

All payments on the securities, including the payment of the minimum payment amount at maturity, 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
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Stated principal amount:	$1,000 per security
Aggregate principal amount:	$2,013,000
Pricing date:	April 30, 2019
Original issue date:	May 3, 2019 (3 business days after the pricing date)
Maturity date:	May 5, 2021
Interest:	None
Underlying indices:	Russell 2000® Index (the "RTY Index") and S&P 500® Index (the "SPX Index")
Payment at maturity:	If the final index value of **each underlying index** is *greater than* its respective initial index value: $1,000 + supplemental redemption amount, subject to the maximum payment amount If the final index value of **either underlying index** is *less than or equal to* its respective initial index value: $1,000 x index performance factor of the worst performing underlying index, subject to the minimum payment amount ***Under these circumstances, the payment at maturity will be less than the stated principal amount of $1,000 per security by an amount that is proportionate to the percentage decline of the worst performing underlying index. However, under no circumstances will the payment due at maturity be less than the minimum payment amount of $950 per security.***

Supplemental redemption amount:	(i) $1,000 *times* (ii) the index percent change of the worst performing underlying index *times* (iii) the participation rate
Worst performing underlying index:	The underlying index with the lesser index percent change
Maximum payment amount:	$1,160 per security (116% of the stated principal amount)
Minimum payment amount:	$950 per security (95% of the stated principal amount)
Participation rate:	100%
Index percent change:	With respect to each underlying index, (final index value – initial index value) / initial index value
Index performance factor	With respect to each underlying index, final index value / initial index value
Initial index value:	With respect to the RTY Index, 1,591.211, which is the index closing value of such index on the pricing date With respect to the SPX Index, 2,945.83, which is 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 determination date
Determination date:	April 30, 2021, subject to postponement for non-index business days and certain market disruption events
CUSIP / ISIN:	61768D5T8 / US61768D5T88
Listing:	The securities will not be listed on any securities exchange.
Agent:	Morgan Stanley & Co. LLC ("MS & Co."), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See "Supplemental information regarding plan of distribution; conflicts of interest."
Estimated value on the pricing date:	$986.40 per security. See "Investment Summary" beginning on page 2.

Commissions and issue price:	**Price to public**(1)	**Agent's commissions and fees**(2)	**Proceeds to us**(3)
Per security	$1,000	$7.50	$992.50
Total	$2,013,000	$15,097.50	$1,997,902.50

(1) *The securities will be sold only to investors purchasing the securities in fee-based advisory accounts.*

(2) *MS & Co. expects to sell all of the securities that it purchases from us to an unaffiliated dealer at a price of $992.50 per security, for further sale to certain fee-based advisory accounts at the price to public of $1,000 per security. MS & Co. will not receive a sales commission with respect to the securities. 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.*

(3) *See "Use of proceeds and hedging" on page 17.*

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 7.

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 Terms of the Securities" and "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 Equity-Linked Partial Principal at Risk Securities dated November 16, 2017

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

Morgan Stanley Finance LLC

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

Investment Summary

Equity-Linked Partial Principal at Risk Securities

The Equity-Linked Partial Principal at Risk Securities due May 5, 2021 Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index (the "securities") provide investors with an opportunity to receive a return reflecting 100% of the positive performance of the worst performing underlying index, subject to the maximum payment amount, while maintaining 1:1 downside exposure to any decline in the worst performing underlying index, subject to the minimum payment amount at maturity of $950 per security.

If the final index value of **each underlying index** is **greater than** its respective initial index value, the securities will pay the stated principal amount of $1,000 plus a supplemental redemption amount, subject to the maximum payment amount of $1,160 per security. The supplemental redemption amount provides 100% upside participation in any appreciation of the worst performing underlying index, subject to the maximum payment amount (e.g., if the worst performing underlying index appreciates 5% from its initial index value to its final index value, the investor receives 100% of principal plus 5% at maturity). If the final index value of **either underlying index** is **equal to or less than** its respective initial index value, the payment at maturity per security will be equal to or less than the $1,000 principal amount of securities by an amount proportionate to the decline in the worst performing underlying index as of the determination date, subject to the minimum payment amount of $950 per security. The securities do not pay interest, and all payments on the securities, including the payment of the minimum payment amount at maturity, are subject to our credit risk.

Maturity:	Approximately 2 years
Maximum payment amount:	$1,160 per security (116% of the stated principal amount)
Minimum payment amount:	$950 per security (95% of the stated principal amount). You could lose up to 5% of the stated principal amount of the securities.
Participation rate:	100%
Interest:	None

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 $986.40.

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 minimum payment amount, the maximum payment amount and the participation rate, 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. 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.

Morgan Stanley Finance LLC

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Key Investment Rationale

The securities offer 100% participation in any positive performance of the worst performing underlying index, subject to the maximum payment amount, while providing for a minimum repayment of 95% of the stated principal amount if the securities are held to maturity, in exchange for forgoing current income and interest. All payments on the securities, including the payment of the minimum payment amount at maturity, are subject to our credit risk.

Minimum Payment Amount of 95% of Principal at Maturity	The securities provide for the minimum payment amount of 95% of principal if held to maturity.
Upside Scenario	Both underlying indices appreciate, and the securities return par *plus* 100% upside participation in the appreciation of the worst performing underlying index, subject to the maximum payment amount of $1,160 per security (116% of the stated principal amount).
Downside Scenario	One or both of the underlying indices depreciate, and the securities redeem for less than the $1,000 stated principal amount by an amount proportionate to the decline in the value of the worst performing underlying index, subject to the minimum payment amount of $950 per security (95% of the stated principal amount).

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Hypothetical Examples

The following hypothetical examples illustrate how to calculate the payment at maturity on the securities. The following examples are for illustrative purposes only. The actual initial index value for each underlying index is set forth on the cover of this document. Any payment at maturity on the securities is subject to our credit risk. The below examples are based on the following terms:

Stated principal amount:	$1,000 per security
Participation rate:	100%
Minimum payment amount:	$950 per security (95% of the stated principal amount)
Maximum payment amount:	$1,160 per security (116% of the stated principal amount)
Hypothetical initial index value:	With respect to the RTY Index: 1,500 With respect to the SPX Index: 2,800

EXAMPLE 1: Both underlying indices appreciate significantly and so investors receive only the maximum payment at maturity.

Final index value		RTY Index: 2,250 SPX Index: 3,920
Index percent change		RTY Index: (2,250 – 1,500) / 1,500 = 50% SPX Index: (3,920 – 2,800) / 2,800 = 40%
Payment at maturity	=	$1,000 + ($1,000 × index percent change of the worst performing underlying index),

		subject to the maximum payment amount
	=	\$1,000 + (\$1,000 × 40%), subject to the maximum payment amount
	=	\$1,160

In example 1, the final index values of both the RTY Index and SPX Index are greater than their initial index values. The RTY Index has appreciated by 50% while the SPX Index has appreciated by 40%. Therefore, investors receive at maturity the stated principal amount *plus* a return reflecting 100% of the appreciation of the worst performing underlying, subject to the maximum payment amount. Under the terms of the securities, investors will realize the maximum payment amount at a final index value of the worst performing underlying index of 116% of its respective initial index value. Therefore, in this example, investors receive only the maximum payment amount of \$1,160 per stated principal amount, even though both underlying indices have appreciated significantly.

EXAMPLE 2: The final index value of each underlying index is greater than its respective initial index value.

Final index value		RTY Index: 1,575
		SPX Index: 3,640
Index percent change		RTY Index: (1,575 – 1,500) / 1,500 = 5%
		SPX Index: (3,640 – 2,800) / 2,800 = 30%
Payment at maturity	=	\$1,000 + (\$1,000 × index percent change of the worst performing underlying index), subject to the maximum payment amount
	=	\$1,000 + (\$1,000 × 5%)
	=	\$1,050

In example 2, the final index values of both the RTY Index and SPX Index are greater than their initial index values. The RTY Index has appreciated by 5% while the SPX Index has appreciated by 30%. Therefore,

investors receive at maturity the stated principal amount *plus* a return reflecting 100% of the appreciation of the worst performing underlying index, which is the RTY Index in this example. Investors receive $1,050 per security at maturity.

EXAMPLE 3: The final index value of one underlying index is greater than its respective initial index value, while the final index value of the other underlying index is less than its respective initial index value, but not by more than 5%.

Final index value		RTY Index: 1,800
		SPX Index: 2,716
Index performance factor		RTY Index: 1,800 / 1,500 = 120%
		SPX Index: 2,716 / 2,800 = 97%
Payment at maturity	=	($1,000 x index performance factor of the worst performing underlying index), subject to the minimum payment amount
	=	$1,000 × 97%
	=	$970

In example 3, the final index value of the RTY Index is greater than its initial index value, while the final index value of the SPX Index is less than its initial index value. While the RTY Index has appreciated by 20%, the SPX Index has declined by 3%. Therefore, investors are exposed to the negative performance of the SPX Index, which represents the worst performing underlying index in this example, subject to the minimum payment amount. At maturity, investors receive a payment at maturity of $970 per security, or 97% of the stated principal amount. In this example, investors are exposed to the negative performance of the worst performing underlying index, subject to the minimum payment amount, even though the other underlying index has appreciated in value by 20%, because the final index value of each underlying index is not greater than its respective initial index value.

EXAMPLE 4: The final index value of one underlying index is greater than its respective initial index value, while the final index value of the other underlying index is less than its respective initial index value by more than 5%.

Final index value		RTY Index: 1,050
		SPX Index: 3,220
Index performance factor		RTY Index: 1,050 / 1,500 = 70%
		SPX Index: 3,220 / 2,800 = 115%
Payment at maturity	=	($1,000 x index performance factor of the worst performing underlying index), subject to the minimum payment amount
	=	$950

In example 4, the final index value of the SPX Index is greater than its initial index value, while the final index value of the RTY Index is less than its initial index value. While the SPX Index has appreciated by 15%, the RTY Index has declined by 30%. Therefore, investors are exposed to the negative performance of the RTY Index, which is the worst performing underlying index in this example, subject to the minimum payment amount. Because the worst performing underlying index has declined by 5% or more, investors receive the minimum payment amount of $950 per security at maturity, or 95% of the stated principal amount. In this example, investors are exposed to the negative performance of the worst performing underlying index, subject to the minimum payment amount, even though the other underlying index has appreciated in value by 15%, because the final index value of each underlying index is not greater than its respective initial index value.

Morgan Stanley Finance LLC

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

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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 pay interest and provide for a minimum payment amount of only 95% of principal.** The terms of the securities differ from those of ordinary debt securities in that the securities do not pay interest and provide for a minimum payment amount of only 95% of principal at maturity. If the final index value of **either underlying index** is **less than** its respective initial index value, the payout at maturity will be an amount in cash that is less than the $1,000 stated principal amount of each security by an amount proportionate to the decline in the value of the worst performing underlying index, subject to the minimum payment amount of $950 per security (95% of the stated principal amount). **You could lose up to 5% of your investment in the securities.**

§ **The appreciation potential of the securities is limited by the maximum payment amount.** The appreciation potential of the securities is limited by the maximum payment amount of $1,160 per security, or 116% of the stated principal amount. Because the payment at maturity will be limited to 116% of the stated principal amount for the securities, any increase in the final index value of the worst performing underlying index over its initial index value by more than 16% of its initial index value will not further increase the return on the securities.

§ **You are exposed to the price risk of both underlying indices.** Your return on the securities is not linked to a basket consisting of both underlying indices. Rather, it will be based 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 both underlying indices. Poor performance by either 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 index. If either underlying index declines to below its respective initial index value as of the valuation date, you will lose up to 5% of your investment, even if the other underlying index has appreciated or has not declined as much. Accordingly, your investment is subject to the price risk of both underlying indices.

§ **Because the securities are linked to the performance of the worst performing underlying index, you are exposed to greater risk of sustaining a loss on your investment than if the securities were linked to just one underlying index.** The risk that you will suffer a loss on your investment is greater if you invest in the securities as opposed to substantially similar securities that are linked to just the performance of one underlying index. With two underlying indices, it is more likely that either underlying index will decline to below its initial index value as of the determination date, than if the securities were linked to only one underlying index. Therefore it is more likely that you will suffer a loss on your investment.

§ **The market price of the securities will be influenced by many unpredictable factors.** Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market, including the value, volatility and dividend yield of the underlying indices, interest and yield rates, time remaining to maturity, geopolitical conditions and economic, financial, political and regulatory or judicial events and any actual or anticipated changes in our credit ratings or credit spreads. The levels of the underlying indices may be, and have recently been, extremely volatile, and we can give you no assurance that the volatility will lessen. See "Russell 2000® Index Overview" and "S&P 500® Index 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.

§ **The securities are linked to the Russell 2000® Index and are subject to risks associated with small-capitalization companies.** As the Russell 2000® Index is one of the underlying indices, and the Russell 2000® Index consists of stocks issued by companies with relatively small market capitalization, the securities are linked to the value of small-capitalization companies. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies and therefore the Russell 2000® Index may be more volatile than indices that consist of stocks issued by large-capitalization companies. Stock prices of small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded. In addition, small capitalization companies are typically less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.

§ **The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities.** You are dependent on our ability to pay all amounts due on the securities at maturity and therefore you are subject to our credit risk. If we default on our obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.

§ **As a finance subsidiary, MSFL has no independent operations and will have no independent assets.** As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

§ **The amount payable on the securities is not linked to the values of the underlying indices at any time other than the determination date.** The final index value of each underlying index will be based on the index closing value of such underlying index on the determination date, subject to postponement for non-index business days and certain market disruption events. Even if both underlying indices appreciate prior to the determination date but the value of **either** underlying index drops by the determination date to be equal to or below its initial index value, the payment at maturity will be less, and may be significantly less, than it would have been had the payment at maturity been linked to the values of the underlying indices prior to such drop. Although the actual values of the underlying indices on the stated maturity date or at other times during the term of the securities may be higher than their respective final index values, the payment at maturity will be based solely on the index closing values on the determination date.

§ **The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the inclusion of costs associated with issuing, selling, structuring and hedging the securities in the original issue price reduce the economic terms of the securities, cause the estimated value of the securities to be less than the original issue price and will adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the securities in secondary market transactions will likely be significantly lower than the original issue price, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the original issue price and borne by you and because the secondary market prices will reflect our secondary market credit spreads and the bid-offer spread that any dealer would charge in a secondary market transaction of this type as well as other factors.

Morgan Stanley Finance LLC

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The inclusion of the costs of issuing, selling, structuring and hedging the securities in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the securities less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that those higher values will also be reflected in your brokerage account statements.

§ **The estimated value of the securities is determined by reference to our pricing and valuation models, which may differ from those of other dealers and is not a maximum or minimum secondary market price.** These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of securities, our models may yield a higher estimated value of the securities than those generated by others, including other dealers in the market, if they attempted to value the securities. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which dealers, including MS & Co., would be willing to purchase your securities in the secondary market (if any exists) at any time. The value of your securities at any time after the date of this pricing supplement will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions. See also "The market price of the securities will be influenced by many unpredictable factors" above.

§ **Adjustments to the underlying indices could adversely affect the value of the securities.** The publisher of either underlying index may add, delete or substitute the stocks constituting such underlying index or make other methodological changes required by certain events relating to the underlying stocks, such as stock dividends, stock splits, spin-offs, rights offerings and extraordinary dividends, that could change the value of such underlying index. Any of these actions could adversely affect the value of the securities. The publisher of either underlying index may also discontinue or suspend calculation or publication of such underlying index at any time. In these circumstances, MS & Co., as the calculation agent, will have the sole discretion to substitute a successor index that is comparable to the discontinued underlying index and will be permitted to consider indices that are calculated and published by the calculation agent or any of its affiliates. If MS & Co. determines that there is no appropriate successor index on the determination date, the final index value of such underlying index will be an amount calculated based on the prices of the stocks underlying the discontinued index at the time of such discontinuance, without rebalancing or substitution, computed by MS & Co, as calculation agent, in accordance with the formula for calculating the index closing value last in effect prior to discontinuance of the index.

§

Investing in the securities is not equivalent to investing in either underlying index. Investing in the securities is not equivalent to investing in either underlying index or the component stocks of either 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 stocks that constitute either underlying index.

§ **The securities will not be listed on any securities exchange and secondary trading may be limited.** The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. MS & Co. may, but is not obligated to, make a market in the securities, and, if it once chooses to make a market, may cease doing so at any time. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Because we do not expect that other broker-dealers will participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

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Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

§ **The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities.** As calculation agent, MS & Co. has determined the initial index values, will determine the final index values and will calculate the amount of cash you will receive at maturity. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events and the selection of a successor index or calculation of the final index value in the event of a market disruption event or discontinuance of the underlying indices. For further information regarding these types of determinations, see "Description of Equity-Linked Partial Principal at Risk Securities —Supplemental Redemption Amount," "—Calculation Agent and Calculations," "—Alternate Exchange Calculation in the Case of an Event of Default" an "—Discontinuance of Any Underlying Index; Alteration of Method of Calculation" in the accompanying product supplement. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

§ **Hedging and trading activity by our affiliates could potentially adversely affect the value of the securities.** One or more of our affiliates and/or third-party dealers have carried out, and will continue to carry out, hedging activities related to the securities (and to other instruments linked to the underlying indices or their component stocks), including trading in the stocks that constitute the underlying indices as well as in other instruments related to the underlying indices. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the determination date approaches. MS & Co. and some of our affiliates also trade the stocks that constitute the underlying indices and other financial instruments related to the underlying indices on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could have increased the initial index value of an underlying index, and, therefore, could have increased the value at or above which such underlying index must close on the determination date so that investors do not suffer a loss on their initial investment in the securities (depending also on the performance of the other underlying index). Additionally, such hedging or trading activities during the term of the securities, including on the determination date, could adversely affect the value of an underlying index on the determination date, and, accordingly, the amount of cash an investor will receive at maturity (depending also on the performance of the other underlying index).

Morgan Stanley Finance LLC

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

Russell 2000® Index Overview

The Russell 2000® Index is an index calculated, published and disseminated by FTSE Russell, and measures the composite price performance of stocks of 2,000 companies incorporated in the U.S. and its territories. All 2,000 stocks are traded on a major U.S. exchange and are the 2,000 smallest securities that form the Russell 3000® Index. The Russell 3000® Index is composed of the 3,000 largest U.S. companies as determined by market capitalization and represents approximately 98% of the U.S. equity market. The Russell 2000® Index consists of the smallest 2,000 companies included in the Russell 3000® Index and represents a small portion of the total market capitalization of the Russell 3000® Index. The Russell 2000® Index is designed to track the performance of the small capitalization segment of the U.S. equity market. For additional information about the Russell 2000® Index, see the information set forth under "Russell 2000® Index" in the accompanying index supplement.

Information as of market close on April 30, 2019:

Bloomberg Ticker Symbol:	RTY
Current Index Value:	1,591.211
52 Weeks Ago:	1,541.884
52 Week High (on 8/31/2018):	1,740.753
52 Week Low (on 12/24/2018):	1,266.925

The following graph sets forth the daily closing values of the RTY Index for the period from January 1, 2014 through April 30, 2019. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the RTY Index for each quarter in the same period. The closing value of the RTY Index on April 30, 2019 was 1,591.211. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The RTY Index has at times experienced periods of high volatility, and you should not take the historical values of the RTY Index as an indication of its future performance.

RTY Index Historical Performance

Daily Closing Values

January 1, 2014 to April 30, 2019

Morgan Stanley Finance LLC

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

Russell 2000® Index	High	Low	Period End
2014			
First Quarter	1,208.651	1,093.594	1,173.038
Second Quarter	1,192.960	1,095.986	1,192.960
Third Quarter	1,208.150	1,101.676	1,101.676
Fourth Quarter	1,219.109	1,049.303	1,204.696
2015			
First Quarter	1,266.373	1,154.709	1,252.772
Second Quarter	1,295.799	1,215.417	1,253.947
Third Quarter	1,273.328	1,083.907	1,100.688
Fourth Quarter	1,204.159	1,097.552	1,135.889
2016			
First Quarter	1,114.028	953.715	1,114.028
Second Quarter	1,188.954	1,089.646	1,151.923
Third Quarter	1,263.438	1,139.453	1,251.646
Fourth Quarter	1,388.073	1,156.885	1,357.130
2017			
First Quarter	1,413.635	1,345.598	1,385.920
Second Quarter	1,425.985	1,345.244	1,415.359
Third Quarter	1,490.861	1,356.905	1,490.861
Fourth Quarter	1,548.926	1,464.095	1,535.511
2018			
First Quarter	1,610.706	1,463.793	1,529.427
Second Quarter	1,706.985	1,492.531	1,643.069
Third Quarter	1,740.753	1,653.132	1,696.571
Fourth Quarter	1,672.992	1,266.925	1,348.559
2019			
First Quarter	1,590.062	1,330.831	1,539.739
Second Quarter (through April 30, 2019)	1,598.356	1,553.325	1,591.211

The "Russell 2000® Index" is a trademark of FTSE Russell. For more information, see "Russell 2000® Index" in the accompanying index supplement.

Morgan Stanley Finance LLC

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

S&P 500® Index Overview

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

Information as of market close on April 30, 2019:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,945.83
52 Weeks Ago:	2,648.05
52 Week High (on 4/30/2018):	2,945.83
52 Week Low (on 12/24/2018):	2,351.10

The following graph sets forth the daily closing values of the SPX Index for the period from January 1, 2014 through April 30, 2019. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the SPX Index for each quarter in the same period. The closing value of the SPX Index on April 30, 2019 was 2,945.83. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The SPX Index has at times experienced periods of high volatility, and you should not take the historical values of the SPX Index as an indication of its future performance.

SPX Index Historical Performance

Daily Closing Values

January 1, 2014 to April 30, 2019

Morgan Stanley Finance LLC

Equity-Linked Partial Principal at Risk Securities due May 5, 2021

Based on the Performance of the Worst Performing of the Russell 2000® Index and the S&P 500® Index

S&P 500® Index	High	Low	Period End
2014			
First Quarter	1,878.04	1,741.89	1,872.34
Second Quarter	1,962.87	1,815.69	1,960.23
Third Quarter	2,011.36	1,909.57	1,972.29
Fourth Quarter	2,090.57	1,862.49	2,058.90