MORGAN STANLEY
Form 424B2
October 25, 2018

October 2018

Preliminary Pricing Supplement No. 1,131
Registration Statement Nos. 333-221595; 333-221595-01
Dated October 24, 2018
Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Callable Contingent Income Securities due October 28, 2021

Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered 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 prospectus 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 closing level of **each of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index** on the related observation date is **at or above 70% of its respective initial level**, which we refer to as the respective coupon barrier level. If the closing level **of any underlying** is less than the coupon barrier level for such underlying on any observation date, we will pay no interest for the related quarterly period. In addition, beginning on April 29, 2019, **we will have the right to redeem the securities at our discretion on any quarterly redemption date** for a redemption payment equal to the sum of the stated principal amount plus any contingent quarterly coupon otherwise due with respect to the related observation date. An early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlyings. At maturity, if the securities have not previously been redeemed and the final level of **each** underlying is greater than or equal to 50% of the respective initial level, which we refer to as the respective downside threshold level, the payment at maturity will be the stated principal amount and, if the final level of **each** underlying is also greater than or equal to its respective coupon barrier level, the related contingent quarterly coupon. If, however, the final level of **any** underlying is less than its downside threshold level, investors will be exposed to the decline in the worst performing underlying on a 1-to-1 basis and will receive a payment at maturity that is less than 50% 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 based on the performance of any underlying and also the risk of not receiving any quarterly coupons during the entire 3-year term of the securities.** Because payments on the securities are based on the worst performing of the underlyings, a decline beyond the respective coupon barrier level and/or respective downside threshold level, as applicable, of **any** underlying will result in few or no contingent quarterly coupons and/or a significant loss of your investment, as applicable, even if the other underlyings have appreciated or have not declined as much. Investors will not participate in any appreciation in any underlying. The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly interest if **any underlying** closes below the coupon barrier level for such underlying on the observation dates, and the risk of an early redemption of the securities at our discretion. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

SUMMARY TERMS	
Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlyings:	S&P 500® Index (the "SPX Index"), iShares® MSCI Emerging Markets ETF (the "EEM Shares") and Russell 2000® Index (the "RTY Index"). We refer to each of the SPX Index and the RTY Index as an underlying index.
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Pricing date:	October 24, 2018
Original issue date:	October 29, 2018 (3 business days after the pricing date)
Maturity date:	October 28, 2021
Optional early redemption:	Beginning on April 29, 2019, we will have the right to redeem the securities, **at our discretion**, in whole but not in part, on any quarterly redemption date for the redemption payment. If we decide to redeem the securities, we will give you notice at least 3 business days before the redemption date specified in the notice. No further payments will be made on the securities once they have been redeemed.
Contingent quarterly coupon:	If, on any observation date, the closing level of **each underlying** is **greater than or equal to** its respective coupon barrier level, we will pay a contingent quarterly coupon at an annual rate of 8.70% (corresponding to approximately $21.75 per quarterly period per security) on the related contingent coupon payment date. If, on any observation date, the closing level **of any underlying** is **less than** the coupon barrier level for such underlying, no contingent quarterly coupon will be paid with respect to that observation date. **It is possible that one or more underlyings will remain below the respective coupon barrier level(s) 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.
Payment at maturity:	If the securities have not previously been redeemed, investors will receive on the maturity date a payment at maturity determined as follows: If the final level of **each** underlying is **greater than or equal to** its respective downside threshold level: the stated principal amount and, if the final level of **each** underlying is also greater than or equal to its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date. If the final level of **any** underlying is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.
	Terms continued on the following page
Agent:	Morgan Stanley & Co. LLC ("MS & Co."), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See "Supplemental information regarding plan of distribution; conflicts of interest."
Estimated value on the pricing date:	Approximately $982.50 per security, or within $15.00 of that estimate. See "Investment Overview" beginning on page 3.

Commissions and issue price:	**Price to public**	**Agent's commissions**[(1)]	**Proceeds to us**[(2)]
Per security	$1,000	$2.50	$997.50
Total	$	$	$

(1) *Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $2.50 for each security they sell. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying prospectus supplement.*

(2) *See "Use of proceeds and hedging" on page 36.*

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

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

You should read this document together with the related prospectus 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.

References to “we,” “us” and “our” refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

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

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

Terms continued from previous page:

Redemption payment:	The redemption payment will be an amount equal to (i) the stated principal amount *plus* (ii) any contingent quarterly coupon otherwise due with respect to the related observation date.
Redemption dates:	Beginning on April 29, 2019, quarterly. See "Observation Dates, Coupon Payment Dates and Redemption Dates" below. If any such day is not a business day, the redemption payment will be made on the next succeeding business day and no adjustment will be made to any redemption payment made on that succeeding business day.
Initial level:	With respect to the SPX Index: , which is its closing level on the pricing date With respect to the EEM Shares: $, which is its closing level on the pricing date With respect to the RTY Index: , which is its closing level on the pricing date
Final level:	With respect to each underlying, the respective closing level on the final observation date
Closing level:	With respect to each of the SPX Index and the RTY Index, on any index business day, the respective index closing value on such day With respect to the EEM Shares, on any trading day, the closing price of one EEM Share on such day *times* the adjustment factor on such day
Worst performing underlying:	The underlying with the largest percentage decrease from the respective initial level to the respective final level
Performance factor:	Final level *divided by* the initial level
Coupon barrier level:	With respect to the SPX Index: , which is equal to 70% of its initial level With respect to the EEM Shares: $, which is equal to 70% of its initial level With respect to the RTY Index: , which is equal to 70% of its initial level
Downside threshold level:	With respect to the SPX Index: , which is equal to 50% of its initial level With respect to the EEM Shares: $, which is equal to 50% of its initial level With respect to the RTY Index: , which is equal to 50% of its initial level
Coupon payment dates:	Quarterly, as set forth under "Observation Dates, Coupon Payment Dates and Redemption Dates" below. If any such day is not a business day, that contingent quarterly coupon, if any, will be paid

	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 shall be paid on the maturity date.
Observation dates:	Quarterly, as set forth under "Observation Dates, Coupon Payment Dates and Redemption Dates" below, subject to postponement for non-index business days and non-trading days, as applicable, and certain market disruption events. We also refer to October 25, 2021 as the final observation date.
Adjustment factor:	With respect to the EEM Shares, 1.0, subject to adjustment in the event of certain events affecting the EEM Shares
CUSIP / ISIN:	61768DJU0 / US61768DJU00
Listing:	The securities will not be listed on any securities exchange.

Observation Dates, Coupon Payment Dates and Redemption Dates

Observation Dates	Coupon Payment Dates / Redemption Dates
January 24, 2019*	January 29, 2019*
April 24, 2019	April 29, 2019
July 24, 2019	July 29, 2019
October 24, 2019	October 29, 2019
January 24, 2020	January 29, 2020
April 24, 2020	April 29, 2020
July 24, 2020	July 29, 2020
October 26, 2020	October 29, 2020
January 25, 2021	January 28, 2021
April 26, 2021	April 29, 2021
July 26, 2021	July 29, 2021
October 25, 2021 (final observation date)	October 28, 2021 (maturity date)

* The securities are not subject to early redemption at the issuer's option until the second coupon payment date, which is April 29, 2019.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

Investment Overview

Callable Contingent Income Securities

Principal at Risk Securities

Callable Contingent Income Securities due October 28, 2021 Payments on the Securities Based on the Worst Performing of the the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index (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 closing level of **each of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index** (which we refer to together as the "underlyings") is **at or above** 70% of its respective initial level, which we refer to as the respective coupon barrier level, on the related observation date. If the closing level **of any underlying** is less than the coupon barrier level for such underlying on any observation date, we will pay no coupon for the related quarterly period. It is possible that the closing level of one or more underlyings will remain below the respective coupon barrier level(s) 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 during the entire term of the securities. Even if an underlying were to be at or above the coupon barrier level for such underlying on some quarterly observation dates, it may fluctuate below the coupon barrier level on others. In addition, even if one underlying were to be at or above the coupon barrier level for such underlying on all quarterly observation dates, you will receive a contingent quarterly coupon only with respect to the observation dates on which the other underlyings are also at or above their respective coupon barrier levels, if any. In addition, beginning on April 29, 2019, **we will have the right to redeem the securities at our discretion** on any quarterly redemption date for the redemption payment equal to the sum of the stated principal amount plus any contingent quarterly coupon otherwise due with respect to the related observation date. An early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlyings. At maturity, if the securities have not been previously redeemed and if the final level of **each** underlying is greater than or equal to 50% of the respective initial level, which we refer to as the respective downside threshold level, the payment at maturity will be the stated principal amount and, if the final level of **each** underlying is also greater than or equal to its respective coupon barrier level, the related contingent quarterly coupon. If, however, the final level of **any** underlying is less than its downside threshold level, investors will be exposed to the decline in the worst performing underlying on a 1-to-1 basis and will receive a payment at maturity that is less than 50% 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 based on the performance of any index and also the risk of not receiving any quarterly coupons throughout the entire term of the securities.**

Maturity:	Approximately 3 years, unless redeemed earlier at our discretion
Contingent quarterly coupon:	If, on any observation date, the closing level of **each underlying** is **greater than or equal to** its respective coupon barrier level, we will pay a contingent quarterly coupon at an annual rate of 8.70% (corresponding to approximately $21.75 per quarterly period per security) on the related contingent coupon payment date. If, on any observation date, the closing level **of any underlying** is **less than** the coupon barrier level for such underlying, no contingent quarterly coupon will be paid with respect to that observation date. **It is possible that one or more underlyings will remain below the respective coupon barrier level(s) 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.**
Early redemption at the option of the issuer:	Beginning on April 29, 2019, we have the right to redeem the securities on any quarterly redemption date for an early redemption payment equal to the stated principal amount plus any contingent quarterly coupon otherwise due with respect to the related observation date. Any early redemption of the securities will be at our discretion and will not automatically occur based on the performance of the underlyings. It is more likely that we will redeem the securities when it would otherwise be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the closing level of each underlying on the observation dates is at or above its respective coupon barrier level, which would otherwise result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities at a time when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly coupon payments, may be forced to invest in a lower interest rate

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

	environment and may not be able to reinvest at comparable terms or returns.
	On the other hand, we will be less likely to exercise our redemption right when the closing level of any underlying is below its respective coupon barrier level and/or when the final level of any underlying is expected to be below the downside threshold level, such that you will receive no contingent quarterly coupons and/or that you will suffer a significant loss on your initial investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive few or no contingent quarterly coupons and suffer a significant loss at maturity.
Payment at maturity:	If the securities have not previously been redeemed, investors will receive on the maturity date a payment at maturity determined as follows: If the final level of **each** underlying is **greater than or equal to** its respective downside threshold level: the stated principal amount and, if the final level of **each** underlying is also greater than or equal to its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date. If the final level of **any** underlying is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

We are using this preliminary pricing supplement to solicit from you an offer to purchase the securities. You may revoke your offer to purchase the securities at any time prior to the time at which we accept such offer by notifying the relevant agent. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. In the event of any material changes to the terms of the securities, we will notify you.

Morgan Stanley clients may contact their local Morgan Stanley branch office or our principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (866) 477-4776). All other clients may contact their local brokerage representative. Third-party distributors may contact Morgan Stanley Structured Investment Sales at

(800) 233-1087.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® 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 will be less than $1,000. We estimate that the value of each security on the pricing date will be approximately $982.50, or within $15.00 of that estimate. Our estimate of the value of the securities as determined on the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

In valuing the securities on the pricing date, we take into account that the securities comprise both a debt component and a performance-based component linked to the underlyings. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlyings, instruments based on the underlyings, 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 barrier 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 underlyings, 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 underlyings, 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

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

Key Investment Rationale

The securities do not provide for the regular payment of interest and instead will pay a contingent quarterly coupon **but only if** the closing level of **each underlying** is **at or above** 70% of its initial level, which we refer to as the respective coupon barrier level, on the related observation date. These securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly interest if any underlying closes below the coupon barrier level for such underlying on the observation dates, and the risk of an early redemption of the securities at our discretion. The following scenarios are for illustration purposes only to demonstrate how the payment at maturity and contingent quarterly coupon (if the securities have not previously been redeemed) are determined, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed by us at our discretion, the contingent quarterly coupon may be payable with respect to none of, or some but not all of, the quarterly periods, and the payment at maturity may be less than 50% of the stated principal amount and could be zero. Investors will not participate in any appreciation in any underlying.

Scenario 1: The securities are redeemed prior to maturity.	This scenario assumes that we redeem the securities at our discretion prior to the maturity date on one of the quarterly redemption dates, starting on April 29, 2019, six months after the original issue date, for the redemption payment equal to the stated principal amount *plus* any contingent quarterly coupon with respect to the relevant observation date, as applicable. Prior to the optional early redemption, each underlying closes at or above its respective coupon barrier level on some or all of the quarterly observation dates. In this scenario, investors receive the contingent quarterly coupon with respect to each such observation date, but not for the quarterly periods for which one of more underlyings close below the respective coupon barrier level on the related observation date. No further payments will be made on the securities once they have been redeemed.
Scenario 2: The securities are not redeemed prior to maturity, and investors receive principal back at maturity.	This scenario assumes that we do not exercise our redemption right on any of the quarterly redemption dates, and, as a result, investors hold the securities to maturity. During the term of the securities, each underlying closes at or above its respective coupon barrier level on some quarterly observation dates, but one or more underlyings close below the respective coupon barrier level(s) for such underlying(s) on the others. Investors will receive the contingent quarterly coupon for the quarterly periods for which the closing level of each underlying is at or above its respective coupon barrier level on the related observation date, but not for the quarterly periods for which one or more underlyings close below the respective coupon barrier level(s) on the related observation date. At maturity, each underlying closes at or above its downside threshold level, and so investors receive the stated principal amount and, depending on whether the final level of each underlying is greater than, equal to or below the respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date.

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity.	This scenario assumes that we do not exercise our redemption right on any of the quarterly redemption dates, and, as a result, investors hold the securities to maturity. During the term of the securities, one or more underlyings close below the respective coupon barrier level(s) on every quarterly observation date. Since one or more underlyings close below the respective coupon barrier level(s) on every quarterly observation date, investors do not receive any contingent quarterly coupon. On the final observation date, one or more underlyings close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount and could be zero.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

Underlyings Summary

S&P 500® Index

The S&P 500® Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC ("S&P"), consists of stocks of 500 component companies 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.

Information as of market close on October 23, 2018:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,740.69
52 Weeks Ago:	2,564.98
52 Week High (on 9/20/2018):	2,930.75
52 Week Low (on 10/25/2017):	2,557.15

For additional information about the S&P 500® Index, see the information set forth under "S&P 500® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "S&P 500® Index Historical Performance" below.

iShares® MSCI Emerging Markets ETF

The iShares® MSCI Emerging Markets ETF is an exchange-traded fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Index℠. The iShares® MSCI Emerging Markets ETF is managed by iShares®, Inc. ("iShares"), a registered investment company that consists of numerous separate investment portfolios, including the iShares® MSCI Emerging Markets ETF.

Information provided to or filed with the Securities and Exchange Commission (the "Commission") by iShares pursuant to the Securities Act of 1933 and the Investment Company Act of 1940 can be located by reference to Commission file numbers 033-97598 and 811-09102, respectively, through the Commission's website at www.sec.gov. In addition, information may be obtained from other publicly available sources. **Neither the issuer nor the agent makes any representation that any such publicly available information regarding the iShares® MSCI Emerging Markets ETF is accurate or complete.**

Information as of market close on October 23, 2018:

Bloomberg Ticker Symbol:	EEM UP
Current Price:	$39.66
52 Weeks Ago:	$45.89
52 Week High (on 1/26/2018):	$52.08
52 Week Low (on 10/11/2018):	$39.14

This document relates only to the securities offered hereby and does not relate to the EEM Shares. We have derived all disclosures contained in this document regarding iShares from the publicly available documents described above. In connection with the offering of the securities, neither we nor the agent has participated in the preparation of such documents or made any due diligence inquiry with respect to iShares. Neither we nor the agent makes any representation that such publicly available documents or any other publicly available information regarding iShares is accurate or complete. Furthermore, we cannot give any assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or completeness of the publicly available documents described above) that would affect the trading price of the EEM Shares (and therefore the price of the EEM Shares at the time we price the securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning iShares could affect the value received with respect to the securities and therefore the value of the securities.

Neither we nor any of our affiliates makes any representation to you as to the performance of the EEM Shares.

We and/or our affiliates may presently or from time to time engage in business with iShares. In the course of such business, we and/or our affiliates may acquire non-public information with respect to iShares, and neither we nor any of our affiliates undertakes to disclose any such information to you. In addition, one or more of our affiliates may publish research reports with respect to the EEM Shares.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

The statements in the preceding two sentences are not intended to affect the rights of investors in the securities under the securities laws. As a prospective purchaser of the securities, you should undertake an independent investigation of iShares as in your judgment is appropriate to make an informed decision with respect to an investment linked to the EEM Shares.

iShares® is a registered trademark of BlackRock Institutional Trust Company, N.A. ("BTC"). The securities are not sponsored, endorsed, sold, or promoted by BTC. BTC makes no representations or warranties to the owners of the securities or any member of the public regarding the advisability of investing in the securities. BTC has no obligation or liability in connection with the operation, marketing, trading or sale of the securities.

The MSCI Emerging Markets Index℠. The MSCI Emerging Markets Index℠ is a stock index calculated, published and disseminated daily by MSCI Inc. and is intended to provide performance benchmarks for certain emerging equity markets including Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The MSCI Emerging Markets Index℠ is described in "MSCI Emerging Markets Index℠" and "MSCI Global Investable Market Indices Methodology" in the accompanying index supplement.

Russell 2000® Index

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.

Information as of market close on October 23, 2018:

Bloomberg Ticker Symbol:	RTY
Current Index Value:	1,526.587
52 Weeks Ago:	1,497.492
52 Week High (on 8/31/2018):	1,740.753
52 Week Low (on 2/8/2018):	1,463.793

For additional information about the Russell 2000® Index, see the information set forth under "Russell 2000® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "Russell 2000® Index Historical Performance" below.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® 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. The following examples are for illustrative purposes only. Whether you receive a contingent quarterly coupon will be determined by reference to the closing level of each underlying on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final level of each underlying on the final observation date. Any early redemption of the securities will be at our discretion. The actual initial level, coupon barrier level, and downside threshold level for each underlying will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The below examples are based on the following terms:

Contingent Quarterly Coupon:	If, on any observation date, the closing level of **each underlying** is **greater than or equal to** its respective coupon barrier level, we will pay a contingent quarterly coupon at an annual rate of 8.70% (corresponding to approximately $21.75 per quarterly period per security) on the related contingent coupon payment date. If, on any observation date, the closing level **of any underlying** is **less than** the coupon barrier level for such underlying, no contingent quarterly coupon will be paid with respect to that observation date. **It is possible that one or more underlyings will remain below the respective coupon barrier level(s) 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.**
Optional Early Redemption:	Beginning on April 29, 2019, we will have the right to redeem the securities at our discretion on any quarterly redemption date for a redemption payment equal to the stated principal amount plus any contingent quarterly coupon otherwise due with respect to the related observation date. **If the securities are redeemed prior to maturity, you will receive no more contingent quarterly coupon payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.**
Payment at Maturity (if the securities have not been redeemed early at our option):	If the final level of **each** underlying is **greater than or equal to** its respective downside threshold level: the stated principal amount and, if the final level of each underlying is also greater than or equal to its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date.

	If the final level of **any** underlying is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the performance factor of the worst performing underlying. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.
Stated Principal Amount:	$1,000
Hypothetical Initial Level:	With respect to the SPX Index: 2,100 With respect to the EEM Shares: $40 With respect to the RTY Index: 1,530
Hypothetical Coupon Barrier Level:	With respect to the SPX Index: 1,470, which is 70% of its hypothetical initial level With respect to the EEM Shares: $28, which is 70% of its hypothetical initial level With respect to the RTY Index: 1,071, which is 70% of its hypothetical initial level
Hypothetical Downside Threshold Level:	With respect to the SPX Index: 1,050, which is 50% of its hypothetical initial level With respect to the EEM Shares: $20, which is 50% of its hypothetical initial level With respect to the RTY Index: 765, which is 50% of its hypothetical initial level index

* The actual 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 quarterly coupon of $21.75 is used in these examples for ease of analysis.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

How to determine whether a contingent quarterly coupon is payable with respect to an observation date (if the securities have not been previously redeemed):

	Closing Level			Contingent Quarterly Coupon
	SPX Index	EEM Shares	RTY Index	
Hypothetical Observation Date 1	1,700 (**at or above** coupon barrier level)	$30 (**at or above** coupon barrier level)	1,300 (**at or above** coupon barrier level)	$21.75
Hypothetical Observation Date 2	1,700 (**at or above** coupon barrier level)	$40 (**at or above** coupon barrier level)	900 (**below** coupon barrier level)	$0
Hypothetical Observation Date 3	1,000 (**below** coupon barrier level)	$19 (**below** coupon barrier level)	1,250 (**at or above** coupon barrier level)	$0
Hypothetical Observation Date 4	1,200 (**below** coupon barrier level)	$16 (**below** coupon barrier level)	895 (**below** coupon barrier level)	$0

On hypothetical observation date 1, the SPX Index, the EEM Shares and the RTY Index all close at or above their respective coupon barrier levels. Therefore a contingent quarterly coupon of $21.75 is paid on the relevant coupon payment date.

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

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

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

Final Level	Payment at Maturity

	SPX Index	EEM Shares	RTY Index	
Example 1:	2,500 (**at or above** the downside threshold level and coupon barrier level)	$45 (**at or above** the downside threshold level and coupon barrier level)	1,700 (**at or above** the downside threshold level and coupon barrier level)	$1,021.75 (the stated principal amount *plus* the contingent quarterly coupon with respect to the final observation date)
Example 2:	1,500 (**at or above** the downside threshold level and coupon barrier level)	$40 (**at or above** the downside threshold level and coupon barrier level)	850 (**at or above** the downside threshold level but **below** the coupon barrier level)	$1,000
Example 3:	1,250 (**at or above** the downside threshold level)	$16 (**below** the downside threshold level)	925 (**at or above** the downside threshold level)	$1,000 x performance factor of the worst performing underlying = $1,000 x ($16 / $40) = $400
Example 4:	945 (**below** the downside threshold level)	$12 (**below** the downside threshold level)	612 (**below** the downside threshold level)	$1,000 x ($12 / $40) = $300
Example 5:	630 (**below** the downside threshold level)	$16 (**below** the downside threshold level)	612 (**below** the downside threshold level)	$1,000 x (630 / 2,100) = $300

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

In example 1, the final levels of the SPX Index, the EEM Shares and the RTY Index are all at or above their downside threshold levels. Therefore, investors receive at maturity the stated principal amount of the securities and the contingent quarterly coupon with respect to the final observation date. Investors do not participate in the appreciation of any underlying.

In example 2, the final level of each underlying is at or above its respective downside threshold level but the final level of the RTY Index is below its coupon barrier level. Therefore, investors receive at maturity the stated principal amount of the securities but do not receive the contingent quarterly coupon with respect to the final observation date.

In example 3, the final levels of the SPX Index and the RTY Index are at or above their respective downside threshold levels but the final level of the EEM Shares is below its respective downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying at maturity and receive at maturity an amount equal to the stated principal amount times the performance factor of the worst performing underlying.

Similarly, in examples 4 and 5, the final level of each underlying is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the performance factor of the worst performing underlying. In example 4, the SPX Index has declined 55% from its initial level to its final level, the EEM Shares have declined 70% from the respective initial level to the respective final level and the RTY Index has declined 60% from its initial level to its final level. Therefore, the payment at maturity equals the stated principal amount *times* the performance factor of the EEM Shares, which represent the worst performing underlying in this example. In example 5, the SPX Index has declined 70% from its initial level to its final level, the EEM Shares have declined 60% from the respective initial level to the respective final level and the RTY Index has declined 60% from its initial level to its final level. Therefore the payment at maturity equals the stated principal amount *times* the performance factor of the SPX Index, which is the worst performing underlying in this example.

If the securities have not been redeemed prior to maturity and the final level of ANY underlying is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying at maturity, and your payment at maturity will be less than $500 per security and could be zero.

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying prospectus supplement, index supplement and prospectus. We also urge you to consult with your investment, legal, tax, accounting and other advisers before you invest 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 principal. If the securities have not been redeemed prior to maturity and the final level of **any** underlying is less than its downside threshold level of 50% of its initial level, you will be exposed to the decline in the final level of the worst performing underlying, as compared to its initial level, 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 *times* the performance factor of the worst performing underlying. **In this case, the payment at maturity will be less than 50% of the stated principal amount and could be zero.**

§ **The securities do not provide for regular interest payments.** The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest. The securities will pay a contingent quarterly coupon only if the closing level of each underlying is at or above 50% of its respective initial level, which we refer to as the respective coupon barrier level, on the related observation date. If, on the other hand, the closing level of any underlying is lower than the coupon barrier level for such underlying 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 closing level of one or more underlyings will remain below the respective coupon barrier level(s) for extended periods of time or even throughout the entire term of the securities. If you do not earn sufficient contingent quarterly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ **The securities are subject to our redemption right.** The term of the securities, and thus your opportunity to earn a potentially above-market coupon if the closing level of each underlying is greater than or equal to the coupon barrier level for such underlying on quarterly observation dates, may be limited by our right to redeem the securities at our option on any quarterly redemption date, beginning April 29, 2019. The term of your investment in the securities may be limited to as short as six months. It is more likely that we will redeem the securities when it would be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the closing level of each underlying on the observation dates is at or above the coupon barrier level for such underlying, which would otherwise result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities at a time when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly coupon payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

On the other hand, we will be less likely to exercise our redemption right when the closing level of any underlying is below the respective coupon barrier level and/or when the final level for any underlying is expected to be below the respective downside threshold level, such that you will receive no contingent quarterly coupons and/or that you will suffer a significant loss on your initial investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive few or no contingent quarterly coupons and suffer a significant loss at maturity.

§ **You are exposed to the price risk of each underlying, 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 all three underlyings. Rather, it will be contingent upon the independent performance of each underlying. 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. Poor performance by **any** underlying over the term of the securities may negatively affect your return and will not be offset or mitigated by any positive performance by the other underlyings. To receive any contingent quarterly coupons, **each** underlying must close at or above its respective coupon barrier level on the applicable observation date. In addition, if **any** underlying 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

Morgan Stanley Finance LLC

Callable Contingent Income Securities due October 28, 2021
Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the iShares® MSCI Emerging Markets ETF and the Russell 2000® Index
Principal at Risk Securities

over the term of the securities on a 1-to-1 basis, even if the other underlyings have appreciated or have not declined as much. Under this scenario, the value of any such payment will be less than 50% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of each underlying.

§ **Because the securities are linked to the performance of the worst performing underlying, 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 underlying.** 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. With three underlyings, it is more like