MORGAN STANLEY
Form 424B2
April 15, 2019

***CALCULATION OF REGISTRATION FEE***

| *Title of Each Class of Securities Offered* | *Maximum Aggregate Offering Price* | *Amount of Registration Fee* |
|---|---|---|
| Contingent Income Auto-Callable Securities due 2022 | $2,670,000 | $323.60 |

**April 2019**

Pricing Supplement No. 1,831

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

Dated April 11, 2019

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

**All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation**

Fully and Unconditionally Guaranteed by Morgan Stanley

**Principal at Risk Securities**

The securities are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement 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 monthly coupon **but only if** the determination closing price of **each** of the common stock of The Goldman Sachs Group, Inc., the common stock of JPMorgan Chase & Co., the common stock of Citigroup Inc. and the common stock of E*TRADE Financial Corporation, which we refer to collectively as the underlying stocks, is **at or above** 60% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of **any underlying stock** is less than its respective downside threshold level on any observation date, we will pay no interest for the related monthly period. However, if the determination closing price of each of the underlying stocks is at or above its respective downside threshold level on any subsequent observation date, investors will receive, in addition to the contingent monthly coupon for the related monthly period, any previously unpaid contingent monthly coupons from prior observation dates. In addition, the securities will be automatically redeemed if the determination closing price of **each underlying stock** is **greater than or equal to** its respective redemption threshold level on any monthly redemption determination date (beginning approximately six months after the original issue date) for the early redemption payment equal to the sum of the stated principal amount plus the related contingent monthly coupon and any previously unpaid contingent monthly coupons from prior observation dates. At maturity, if the securities have not previously been redeemed and the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the payment at maturity will also be the sum of the stated principal amount plus the related contingent monthly coupon and any previously unpaid contingent monthly coupons from prior observation dates. However, if the final share price of **any underlying stock** is **less than** its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying stock on a 1-to-1 basis and will receive a payment at maturity that is less than 60% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent monthly coupons throughout the 3-year term of the securities.** The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no monthly interest over the entire 3-year term and in exchange for the possibility of an automatic early redemption prior to maturity. Because the payment of contingent monthly coupons is based on the worst performing of the underlying stocks, the fact that the securities are linked to three underlying stocks does not provide any asset diversification benefits and instead means that a decline of **any** underlying stock below the relevant downside threshold level will result in no contingent monthly coupons, even if one or more of the other underlying stocks close at or above the respective downside threshold levels. Because all payments on the securities are based on the worst performing of the underlying stocks, a decline beyond the respective downside threshold level of any underlying stock will result in no contingent monthly coupon payments and a significant loss of your investment, even if one or more of the other underlying stocks have appreciated or have not declined as much. Investors will not participate in any appreciation of any underlying stock. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

FINAL TERMS

| | |
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| **Issuer:** | Morgan Stanley Finance LLC |
| **Guarantor:** | Morgan Stanley |
| **Underlying stocks:** | The Goldman Sachs Group, Inc. common stock (the "GS Stock"), JPMorgan Chase & Co. common stock (the "JPM Stock"), Citigroup Inc. common stock (the "C Stock") and E*TRADE Financial Corporation common stock (the "ETFC Stock") |
| **Aggregate principal amount:** | $2,670,000 |
| **Stated principal amount:** | $1,000 per security |
| **Issue price:** | $1,000 per security |
| **Pricing date:** | April 11, 2019 |
| **Original issue date:** | April 16, 2019 (3 business days after the pricing date) |
| **Maturity date:** | April 14, 2022 |
| **Early redemption:** | The securities are not subject to early redemption until six months after the original issue date. Following this six-month non-call period, if, on any redemption determination date, beginning on October 11, 2019, the determination closing price of **each underlying stock** is greater than or equal to its respective redemption threshold level, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed.<br><br>**The securities will not be redeemed early on any early redemption date if the determination closing price of any underlying stock is below its respective redemption threshold level on the related redemption determination date.** |
| **Early redemption payment:** | The early redemption payment will be an amount equal to (i) the stated principal amount for each security you hold *plus* (ii) the contingent monthly coupon with respect to the related observation date and any previously unpaid contingent monthly coupons from the prior observation dates. |
| **Determination closing price:** | With respect to each underlying stock, the closing price of such underlying stock on any redemption determination date or observation date (other than the final observation date), *times* the adjustment factor on such determination date or observation date, as applicable |

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| **Early redemption dates:** | Starting on October 17, 2019, monthly. See "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below. If any such day is not a business day, that early redemption payment will be made on the next succeeding business day and no adjustment will be made to any early redemption payment made on that succeeding business day. |
| **Contingent monthly coupon:** | A *contingent monthly coupon* at an annual rate of 9.00% (corresponding to approximately $7.50 per month per security) *plus* any previously unpaid contingent monthly coupons from any prior observation dates will be paid on the securities on each coupon payment date ***but only if*** the determination closing price of **each underlying stock** is at or above its respective downside threshold level on the related observation date; *provided, however,* in the case of any such payment of a previously unpaid contingent monthly coupon, no additional interest shall accrue or be payable in respect of such unpaid contingent monthly coupon from and after the end of the original interest period for such unpaid contingent monthly coupon. You will not receive such unpaid contingent monthly coupons if the determination closing price of any underlying stock is less than its respective redemption threshold level on each subsequent observation date.<br><br>**If, on any observation date, the determination closing price of any underlying stock is less than its respective downside threshold level, no contingent monthly coupon will be paid with respect to that observation date. It is possible that one or more underlying stocks will remain below their respective downside threshold levels for extended periods of time or even throughout the entire 3-year term of the securities so that you will receive few or no contingent monthly coupons.** |
| **Downside threshold level:** | With respect to the GS Stock, $121.698, which is equal to 60% of its initial share price<br><br>With respect to the JPM Stock, $63.738, which is equal to 60% of its initial share price<br><br>With respect to the C Stock, $39.546, which is equal to 60% of its initial share price<br><br>With respect to the ETFC Stock, $28.968, which is equal to 60% of its initial share price |
| **Payment at maturity:** | |

If the securities are not redeemed prior to maturity, investors will receive a payment at maturity determined as follows:

· If the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level: (i) the stated principal amount *plus* (ii) the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons from the prior observation dates

· If the final share price of **any underlying stock** is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the share performance factor of the worst performing underlying stock

*Under these circumstances, the payment at maturity will be significantly less than the stated principal amount of $1,000, and will represent a loss of more than 40%, and possibly all, of your investment.*

***Terms continued on the following page***

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| **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:** | $952.90 per security. See "Investment Summary" beginning on page 3. | | |
| **Commissions and issue price:** | **Price to public** | **Agent's commissions[(1)]** | **Proceeds to us[(2)]** |
| **Per security** | $1,000 | $35 | $965 |
| **Total** | $2,670,000 | $93,450 | $2,576,550 |

(1) *Selected dealers and their financial advisors will collectively receive from the agent, Morgan Stanley & Co. LLC, a fixed sales commission of $35 for each security they sell. See "Supplemental information regarding plan of distribution; conflicts of interest." For additional information, see "Plan of Distribution (Conflicts of Interest)" in the accompanying product supplement.*

(2) *See "Use of proceeds and hedging" on page 35.*

**The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 13.**

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

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

**You should read this document together with the related product supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see "Additional 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 Auto-Callable Securities dated November 16, 2017** **Prospectus dated November 16, 2017**

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

***Terms continued from previous page:***

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| Redemption determination dates: | Beginning after six months, monthly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below, subject to postponement for non-trading days and certain market disruption events. |
| Redemption threshold level: | With respect to the GS Stock, \$202.83, which is equal to 100% of its initial share price<br><br>With respect to the JPM Stock, \$106.23, which is equal to 100% of its initial share price<br><br>With respect to the C Stock, \$65.91, which is equal to 100% of its initial share price<br><br>With respect to the ETFC Stock, \$48.28, which is equal to 100% of its initial share price |
| **Initial share price:** | With respect to the GS Stock, \$202.83, which is its closing price on the pricing date<br><br>With respect to the JPM Stock, \$106.23, which is its closing price on the pricing date<br><br>With respect to the C Stock, \$65.91, which is its closing price on the pricing date<br><br>With respect to the ETFC Stock, \$48.28, which is its closing price on the pricing date |
| **Coupon payment dates:** | Monthly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below; *provided* that the contingent monthly coupon, if any, with respect to the final observation date shall be paid on the maturity date. |
| **Observation dates:** | Monthly, as set forth under "Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates" below, subject, independently in the case of each underlying stock, to postponement for non-trading days and certain market disruption events. We also refer to April 11, 2022 as the final observation date. |
| **Final share price:** | With respect to each underlying stock, the closing price of such underlying stock on the final observation date *times* the adjustment factor on such date |
| **Adjustment factor:** | With respect to each underlying stock, 1.0, subject to adjustment in the event of certain corporate events affecting such underlying stock |
| **Worst performing underlying stock:** | The underlying stock with the largest percentage decrease from the respective initial share price to the respective final share price |

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| **Share performance factor:** | Final share price *divided by* the initial share price |
| **CUSIP / ISIN:** | 61768D6B6 / US61768D6B61 |
| **Listing:** | The securities will not be listed on any securities exchange. |

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

| Observation Dates / Redemption Determination Dates | Coupon Payment Dates / Early Redemption Dates |
|---|---|
| 5/13/2019* | 5/16/2019* |
| 6/11/2019* | 6/14/2019* |
| 7/11/2019* | 7/16/2019* |
| 8/12/2019* | 8/15/2019* |
| 9/11/2019* | 9/16/2019* |
| 10/11/2019 | 10/17/2019 |
| 11/11/2019 | 11/14/2019 |
| 12/11/2019 | 12/16/2019 |
| 1/13/2020 | 1/16/2020 |
| 2/11/2020 | 2/14/2020 |
| 3/11/2020 | 3/16/2020 |
| 4/13/2020 | 4/16/2020 |
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| 7/13/2020 | 7/16/2020 |
| 8/11/2020 | 8/14/2020 |
| 9/11/2020 | 9/16/2020 |
| 10/12/2020 | 10/15/2020 |
| 11/11/2020 | 11/16/2020 |
| 12/11/2020 | 12/16/2020 |
| 1/11/2021 | 1/14/2021 |
| 2/11/2021 | 2/17/2021 |
| 3/11/2021 | 3/16/2021 |
| 4/12/2021 | 4/15/2021 |
| 5/11/2021 | 5/14/2021 |
| 6/11/2021 | 6/16/2021 |
| 7/12/2021 | 7/15/2021 |
| 8/11/2021 | 8/16/2021 |
| 9/13/2021 | 9/16/2021 |
| 10/11/2021 | 10/14/2021 |
| 11/11/2021 | 11/16/2021 |
| 12/13/2021 | 12/16/2021 |
| 1/11/2022 | 1/14/2022 |
| 2/11/2022 | 2/16/2022 |
| 3/11/2022 | 3/16/2022 |
| 4/11/2022 (final observation date) | 4/14/2022 (maturity date) |

* The securities are not subject to automatic early redemption until the sixth coupon payment date, which is October 17, 2019.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

Investment Summary

**Contingent Income Auto-Callable Securities**

**Principal at Risk Securities**

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation (the "securities") do not provide for the regular payment of interest. Instead, the securities will pay a contingent monthly coupon at an annual rate of 9.00% **but only if** the determination closing price of **each underlying stock** is **at or above** 60% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of **any underlying stock** is less than its downside threshold level on any observation date, we will pay no coupon for the related monthly period. However, if the determination closing price of each of the underlying stocks is at or above its respective downside threshold level on any subsequent observation date, investors will receive, in addition to the contingent monthly coupon for the related monthly period, any previously unpaid contingent monthly coupons from prior observation dates. It is possible that the determination closing price of **one or more underlying stocks will remain below their respective downside threshold levels** for extended periods of time or even throughout the entire 3-year term of the securities so that you will receive few or no contingent monthly coupons during the entire term of the securities. We refer to these coupons as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date. Even if all of the underlying stocks were to be at or above their respective downside threshold levels on some monthly observation dates, one or more underlying stocks may fluctuate below the respective downside threshold level(s) on others, and the underlying stocks may not close at or above their respective downside threshold level on any subsequent observation date, in which case you will not receive payment of any unpaid previously contingent monthly coupons. In addition, if the securities have not been automatically called prior to maturity and the final share price of **any underlying stock** is less than its respective downside threshold level, investors will be exposed to the decline in the worst performing underlying stock on a 1-to-1 basis, and will receive a payment at maturity that is less than 60% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent monthly payments throughout the entire 3-year term of the securities.**

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| Maturity: | Approximately 3 years |
| Contingent monthly coupon: | A *contingent monthly coupon* at an annual rate of 9.00% (corresponding to approximately $7.50 per month per security) will be paid on the securities on each coupon payment date **but only if** the determination closing price of **each underlying stock** is at or above its respective downside threshold level on the related observation date.<br><br>**If the contingent monthly coupon is not paid on any coupon payment date (because the determination closing price of an underlying stock on the related observation date is less than the downside threshold level), such unpaid contingent monthly coupon will be paid on a later coupon payment date but only if the determination closing price of each underlying stock on such later observation date is greater than or equal to the respective downside threshold level. You will not receive such unpaid contingent monthly coupon if the determination closing price of any underlying stock on each subsequent observation date is less than its respective downside threshold level. If the determination closing price of any underlying stock on each observation date is less than its respective downside threshold level, you will not receive any contingent monthly coupon for the entire term of the securities.** |
| Automatic early redemption monthly beginning in October | Starting in October 2019, if the determination closing price of **each underlying stock** is greater than or equal to its respective redemption threshold level (equal to 100% of the respective initial share price) on any monthly determination date, beginning on October 11, 2019 (approximately six months after the original issue date), the |

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

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| 2019: | securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the contingent monthly coupon with respect to the related observation date and any previously unpaid contingent monthly coupons from prior observation dates. |
| Payment at maturity: | If the securities have not previously been redeemed and the final share price of **each underlying stock** is **greater than or equal to** its respective downside threshold level, the payment at maturity will be the sum of the stated principal amount *plus* the related contingent monthly coupon and any previously unpaid contingent monthly coupons from prior observation dates.<br><br>If the final share price of **any underlying stock** is less than its downside threshold level, investors will receive a payment at maturity based on the decline in the worst performing underlying stock over the term of the securities. Under these circumstances, the payment at maturity will be less than 60% of the stated principal amount of the securities and could be zero. **Accordingly,** i**nvestors in the securities must be willing to accept the risk of losing their entire initial investment.** |

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than $1,000. We estimate that the value of each security on the pricing date is $952.90.

*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 stocks. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying stocks, instruments based on the underlying stocks, 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 monthly coupon rate, the redemption threshold levels and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more 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 stocks, 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 stocks, 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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All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

**Key Investment Rationale**

The securities do not provide for the regular payment of interest. Instead, the securities will pay a contingent monthly coupon **but only if** the determination closing price of **each underlying stock** is **at or above** its respective downside threshold level on the related observation date. The securities have been designed for investors who are willing to forgo market floating interest rates and risk the loss of principal and accept the risk of receiving few or no coupon payments for the entire 3-year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if all of the underlying stocks close at or above their respective downside threshold levels, unless the securities are redeemed early. The following scenarios are for illustration purposes only to demonstrate how the coupon and the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed, the contingent coupon may be payable in none of, or some but not all of, the monthly periods during the 3-year term of the securities, and the payment at maturity may be less than 60% of the stated principal amount of the securities and may be zero.

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| **Scenario 1: The securities are redeemed prior to maturity** | This scenario assumes that, prior to early redemption, all of the underlying stocks close at or above their respective downside threshold levels on some monthly observation dates, but one or more underlying stocks close below the respective downside threshold level(s) on the others. Investors receive the contingent monthly coupon, as well as any previously unpaid contingent monthly coupons form prior observation dates, for the monthly periods for which the determination closing price of each underlying stock is greater than or equal to the respective downside threshold level on the related observation date. |
| | Starting on October 11, 2019, when all of the underlying stocks close at or above their respective redemption threshold levels on a monthly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the contingent monthly coupon with |

respect to the related observation date and any previously unpaid contingent monthly coupons from prior observation dates.

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| **Scenario 2: The securities are not redeemed prior to maturity, and investors receive principal back at maturity** | This scenario assumes that all of the underlying stocks close at or above their respective downside threshold levels on some monthly observation dates, but one or more underlying stocks close below the respective downside threshold level(s) on the others, and at least one of the underlying stocks closes below its redemption threshold level on every monthly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent monthly coupon, as well as any previously unpaid contingent monthly coupons form prior observation dates, for the monthly periods for which the determination closing price of each underlying stock is greater than or equal to the respective downside threshold level on the related observation date. On the final observation date, all of the underlying stocks close at or above their respective downside threshold levels. At maturity, in addition to the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons form prior observation dates, investors will receive the stated principal amount. |

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

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| **Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity** | This scenario assumes that all of the underlying stocks close at or above their respective downside threshold levels on some monthly observation dates, but one or more underlying stocks close below the respective downside threshold level(s) on the others, and at least one of the underlying stocks closes below its redemption threshold level on every monthly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent monthly coupon, as well as any previously unpaid contingent monthly coupons form prior observation dates, for the monthly periods for which the determination closing price of each underlying stock is greater than or equal to the respective downside threshold level on the related observation date. On the final observation date, one or more underlying stocks close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the share performance factor of the worst performing underlying stock. Under these circumstances, the payment at maturity will be less than 60% of the stated principal amount and could be zero. No coupon will be paid at maturity in this scenario, and investors will not receive payment of any previously unpaid contingent monthly coupons at maturity. |

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Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the determination closing prices on each monthly observation date, (2) the determination closing prices on each monthly redemption determination date and (3) the final share prices. Please see "Hypothetical Examples" below for an illustration of hypothetical payouts on the securities.

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

Diagram #2: Automatic Early Redemption (Starting in October 2019)

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

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Principal at Risk Securities

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

*For more information about the payout at maturity in different hypothetical scenarios, see "Hypothetical Examples" below.*

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Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent monthly coupon is paid with respect to an observation date and how to calculate the payment at maturity, if any, assuming the securities are not redeemed prior to maturity. The following examples are for illustrative purposes only. Whether you receive a contingent monthly coupon will be determined by reference to the determination closing price of each underlying stock on each monthly observation date. Whether the securities are redeemed early will be determined by reference to the determination closing price of each underlying stock on each monthly determination date (beginning approximately six months after the original issue date) and the payment at maturity, if any, will be determined by reference to the final share price of each underlying stock on the final determination date. The actual initial share price and downside threshold level for each underlying stock are set forth on the cover of this document. All payments on the securities, if any, are subject to our credit risk. The below examples are based on the following terms:

| | |
|---|---|
| Contingent Monthly Coupon: | 9.00% per annum, (corresponding to approximately $7.50 per month per security)[1]<br>**With respect to each coupon payment date, a contingent monthly coupon *plus* any previously unpaid monthly coupons from any prior observation dates is paid but only if the determination closing price of each underlying stock is at or above its respective downside threshold level on the related observation date.** |
| Payment at Maturity (if the securities are not redeemed prior to maturity): | If the final share price of **each** underlying stock is **greater than or equal to** its respective downside threshold level: the stated principal amount *plus* the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons from the prior observation dates |

| | |
|---|---|
| | If the final share price of **any** underlying stock is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the share performance factor of the worst performing underlying stock |
| Stated Principal Amount: | $1,000 |
| Hypothetical Initial Share Price: | With respect to the GS Stock: $200.00<br><br>With respect to the JPM Stock: $101.00<br><br>With respect to the C Stock: $65.00<br><br>With respect to the ETFC Stock: $45.00 |
| Hypothetical Downside Threshold Level: | With respect to the GS Stock: $120.00, which is 60% of its hypothetical initial share price<br><br>With respect to the JPM Stock: $60.60, which is 60% of its hypothetical initial share price<br><br>With respect to the C Stock: $39.00, which is 60% of its hypothetical initial share price<br><br>With respect to the ETFC Stock: $27.00, which is 60% of its hypothetical initial share price |

[1] The actual contingent monthly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 day count basis. The hypothetical contingent monthly coupon of $7.50 is used in these examples for ease of analysis.

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

| | Determination Closing Price | | | | Hypothetical Contingent Monthly Coupon |
|---|---|---|---|---|---|
| | GS Stock | JPM Stock | C Stock | ETFC Stock | |
| 1st Monthly Observation Date | $185.00 (**at or above** its downside threshold level) | $75.00 (**at or above** its downside threshold level) | $55.00 (**at or above** its downside threshold level) | $45.00 (**at or above** its downside threshold level) | $7.50 |
| 2nd Monthly Observation Date | $195.00 (**at or above** its downside threshold level) | $50.00 (**below** its downside threshold level) | $60.00 (**at or above** its downside threshold level) | $40.00 (**at or above** its downside threshold level) | $0 |
| 3rd Monthly Observation Date | $180.00 (**at or above** its downside | $80.00 (**at or above** its downside | $60.00 (**at or above** its downside | $38.00 (**at or above** its downside | $7.50 + $7.50 = $15.00 |

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due April 14, 2022, with 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the Common Stock of The Goldman Sachs Group, Inc., the Common Stock of JPMorgan Chase & Co., the Common Stock of Citigroup Inc. and the Common Stock of E*TRADE Financial Corporation

Principal at Risk Securities

| | | | | | |
|---|---|---|---|---|---|
| | threshold level) | threshold level) | threshold level) | threshold level) | |
| 4th Monthly Observation Date | $95.00 (**below** its downside threshold level) | $45.00 (**below** its downside threshold level) | $25.00 (**below** its downside threshold level) | $20.00 (**below** its downside threshold level) | $0 |

On hypothetical observation date 1, each of the underlying stocks closes at or above its respective downside threshold level. Therefore, a hypothetical contingent monthly coupon of $7.50 is paid on the relevant coupon payment date.

On hypothetical observation date 2, three underlying stocks close at or above their respective downside threshold levels, but the other underlying stock closes below its respective downside threshold level. Therefore, no contingent monthly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 3, each of the underlying stocks closes at or above its respective downside threshold level. Therefore, investors receive the hypothetical contingent monthly coupon with respect to the third observation date as well as the previously unpaid contingent monthly coupon with respect to the second observation date.

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

**You will not receive a contingent monthly coupon on any coupon payment date if the determination closing price of any underlying stock is below its respective downside threshold level on the related observation date.**

How to calculate the payment at maturity:

In the following examples, one or more underlying stocks close below the respective redemption threshold levels on each redemption determination date, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

| | Final Share Price | | | | Payment at Maturity |
|---|---|---|---|---|---|
| | GS Stock | JPM Stock | C Stock | ETFC Stock | |
| Example 1: | $160.00 (**at or above** its downside threshold level) | $110.00 (**at or above** its downside threshold level) | $105.00 (**at or above** its downside threshold level) | $105.00 (**at or above** its downside threshold level) | $1,000 *plus* the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons from the prior observation dates |
| Example 2: | $40.00 (**below** its downside threshold level) | $75.00 (**at or above** its downside threshold level) | $51.00 (**at or above** its downside threshold level) | $31.00 (**at or above** its downside threshold level) | $1,000 x share performance factor of the worst performing underlying stock = $1,000 x ($40.00 / $200.00) = $200.00 |
| Example 3: | $180.00 (**at or above** its downside threshold level) | $88.00 (**at or above** its downside threshold level) | $29.25 (**below** its downside threshold level) | $32.75 (**at or above** its downside threshold level) | $1,000 x ($29.25 / $65.00) = $450.00 |
| Example 4: | $80.00 (**below** its downside threshold level) | $45.45 (**below** its downside threshold level) | $28.60 (**below** its downside threshold level) | $24.75 (**below** its downside threshold level) | $1,000 x ($80.00 / $200.00) = $400.00 |
| Example 5: | $90.00 (**below** its downside threshold level) | $30.30 (**below** its downside threshold level) | $29.25 (**below** its downside threshold level) | $19.80 (**below** its downside threshold level) | $1,000 x ($30.30 / $101.00) = $300.00 |

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Principal at Risk Securities

In example 1, the final share prices of each of the GS Stock, JPM Stock, C Stock and ETFC Stock are at or above their respective downside threshold levels. Therefore, investors receive at maturity the stated principal amount of the securities *plus* the hypothetical contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons from the prior observation dates. Investors do not participate in the appreciation of any of the underlying stocks.

In example 2, the final share prices of three underlying stocks are above their respective downside threshold levels, but the final share price of the other underlying stock is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity and receive an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock.

In example 3, the final share prices of three underlying stocks are at or above their respective downside threshold levels, but the final share price of the other underlying stock is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying stock at maturity and receive at maturity an amount equal to the stated principal amount times the share performance factor of the worst performing underlying stock.

In examples 4 and 5, the final share prices of all of the underlying stocks are below their respective downside threshold levels, and investors receive at maturity an amount equal to the stated principal amount *times* the share performance factor of the worst performing underlying stock. In example 4, the GS Stock has declined 60% from its initial share price to its final share price, the JPM Stock has declined 55% from its initial share price to its final share price, the C Stock has declined 56% from its initial share price to its final share price and the ETFC Stock has declined 45% from its initial share price to its final share price. Therefore, the payment at maturity equals the stated principal amount *times* the share performance factor of the GS Stock, which represents the worst performing underlying stock in this example. In example 5, the GS Stock has declined 55% from its initial share price to its final share price, the JPM Stock has declined 70% from its initial share price to its final share price, the C Stock has declined 55% from its initial share price to its final share price and the ETFC Stock has declined 56% from its initial share price to its final share price. Therefore the payment at maturity equals the stated principal amount *times* the share performance factor of the JPM Stock, which represents the worst performing underlying stock in this example.

**If the final share price of ANY underlying stock is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying stock at maturity, and your payment at maturity will be less than 60% of the stated principal amount per security and could be zero.**

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Principal at Risk Securities

Risk Factors

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

§ **The securities do not guarantee the return of any principal.** The terms of the securities differ from those of ordinary debt securities in that they do not guarantee the return of any of the principal amount at maturity. If the securities have not been automatically redeemed prior to maturity and if the final share price of **any** underlying stock is less than its downside threshold level of 60% of its initial share price, you will be exposed to the decline in the closing price of the worst performing underlying stock, as compared to its initial share price, 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 share performance factor of the worst performing underlying stock. In this case, the payment at maturity will be less than 60% of the stated principal amount and could be zero. **You could lose up to your entire investment in the securities.**

§ **The securities do not provide for the regular payment of interest and may pay no interest over the entire term of the securities.** The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest. Instead, the securities will pay a contingent monthly coupon but only if the determination closing price of each underlying stock is at or above 60% of its respective initial share price, which we refer to as the respective downside threshold level, on the related observation date. If the determination closing price of any underlying stock is lower than its downside threshold level on the relevant observation date for any interest period, we will pay no coupon on the applicable coupon payment date. However, if the determination closing price of each of the underlying stocks is at or above its respective downside threshold level on any subsequent observation date, investors will receive, in addition to the contingent monthly coupon for the related monthly period, any previously unpaid contingent monthly coupons from prior observation dates. Nevertheless, it is possible that the determination closing price(s) of one or more underlying stocks could remain below the respective downside threshold level(s) for extended periods of time or even throughout the entire 3-year term of the securities so that you will receive few or no contingent monthly coupons. If you do not earn sufficient contingent coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ **You are exposed to the price risk of all of the underlying stocks, with respect to both the contingent monthly coupons, if any, and the payment at maturity, if any.** Your return on the securities is not linked to a basket consisting of the underlying stocks. Rather, it will be contingent upon the independent performance of e