

MORGAN STANLEY
Form 424B2
April 29, 2019

CALCULATION OF REGISTRATION FEE

<i>Title of Each Class of Securities Offered</i>	<i>Maximum Aggregate Offering Price</i>	<i>Amount of Registration Fee</i>
Contingent Income Buffered Auto- Callable Securities due 2021	\$250,000	\$30.30

April 2019

Pricing Supplement No. 1,797

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

Dated April 25, 2019

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Contingent Income Buffered Auto-Callable Securities due April 29, 2021, With 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not provide for the regular payment of interest and provide a minimum payment at maturity of only 15% of the stated principal amount. Instead, the securities will pay a contingent monthly coupon (plus any previously unpaid contingent monthly coupons from prior observation dates) **but only if** the determination closing price of **each of the SPDR® S&P® Oil &**

Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF, which we refer to as the underlying shares, is **at or above** 85% of its respective initial share price, which we refer to as the coupon barrier level, on the related observation date. If, however, the determination closing price of **either of the underlying shares** is less than its respective coupon barrier level on any observation date, we will pay no interest for the related monthly period. Beginning after six months, the securities will be automatically redeemed if the determination closing price of each of the underlying shares is **greater than or equal to** its respective initial share price on any monthly redemption determination 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. No further payments will be made on the securities once they have been redeemed. At maturity, if the securities have not previously been redeemed and the final share price of each of the underlying shares is **greater than or equal to** 85% of its respective initial share price, meaning that **neither** of the underlying shares has declined by an amount greater than the buffer amount of 15%, the payment at maturity will be the stated principal amount and the related contingent monthly coupon and any previously unpaid contingent monthly coupons from prior observation dates. However, if the final share price of **either** of the underlying shares is **less than** 85% of its respective initial share price, meaning that **either** of the underlying shares has declined by an amount greater than the buffer amount of 15%, investors will lose 1% for every 1% decline in the final share price of the worst performing underlying shares from its initial share price beyond the buffer amount of 15%. **Accordingly, investors in the securities must be willing to accept the risk of losing up to 85% of their initial investment and also the risk of not receiving any contingent monthly coupons throughout the 2-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 2-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 shares, the fact that the securities are linked to two underlying shares does not provide any asset diversification benefits and instead means that a decline in the price of either of the underlying shares below the relevant coupon barrier level will result in no contingent monthly coupons, even if the other underlying shares closes at or above its respective coupon barrier level. Because all payments on the securities are based on the worst performing of the underlying shares, a decline of either of the underlying shares by an amount greater than the buffer amount as of the final observation date will result in a loss of your investment, even if the other underlying shares has appreciated or has not declined as much. Investors will not participate in any appreciation of either of the underlying shares. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley SPDR® S&P® Oil & Gas Exploration & Production ETF (the "XOP Shares") and Market Vectors Gold Miners ETF (the "GDX Shares")
Underlying shares:	
Aggregate principal amount:	\$250,000
Stated principal amount:	\$1,000 per security
Issue price:	\$1,000 per security
Pricing date:	April 25, 2019
Original issue date:	April 30, 2019 (3 business days after the pricing date)
Maturity date:	April 29, 2021
Early redemption:	The securities are not subject to automatic early redemption until approximately six months after the original issue date.

Following this initial 6-month non-call period, if, on any redemption determination date, beginning on October 25, 2019, the determination closing price of **each of the underlying shares** is greater than or equal to its respective initial share price, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed.

The securities will not be redeemed early on any early redemption date if the determination closing price of either of the underlying shares is below its respective initial share price 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 prior observation dates.

Determination closing price:

With respect to each of the underlying shares, the closing price of such underlying shares on any redemption determination date or observation date (other than the final observation date), *times* the adjustment factor on such redemption determination date or observation date, as applicable

Redemption determination dates:

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.

Early redemption dates:

Starting on October 30, 2019 (approximately six months after the original issue date), 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, if payable, 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 10.00% (corresponding to approximately \$8.333 per month per security) will be paid on the securities on each coupon payment date **but only if** the determination closing price of **each of the underlying shares** is at or above its respective coupon barrier level on the related observation date.

If the contingent monthly coupon is not paid on any coupon payment date (because the determination closing price of either of the underlying shares on any

observation date is less than the respective coupon barrier level), such unpaid contingent monthly coupon will be paid on a later coupon payment date but only if the determination closing price of each of the underlying shares on such later observation date is greater than or equal to the respective coupon barrier level;

provided, however,

in the case of any such payment of a previously unpaid contingent monthly coupon, that 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 either of the underlying shares is less than the respective coupon barrier level on each subsequent observation date.

If, on any observation date, the determination closing price of either of the underlying shares is less than its respective coupon barrier level, no contingent monthly coupon will be paid with respect to that observation date. It is possible that one or both of the underlying shares will remain below their respective coupon barrier levels for extended periods of time or even throughout the entire 2-year term of the securities so that you will receive few or no contingent monthly coupons.

With respect to the XOP Shares, \$27.022, which is equal to approximately 85% of its initial share price

Coupon barrier level:

With respect to the GDY Shares, \$17.740, which is equal to approximately 85% of its initial share price

With respect to each of the underlying shares, 15%. As a result of the buffer amount of 15%, the price at or above which each of the underlying shares must close on the final observation date so that investors do not suffer a loss on their initial investment in the securities is as follows:

Buffer amount:

With respect to the XOP Shares, \$27.022, which is equal to approximately 85% of its initial share price

With respect to the GDY Shares, \$17.740, which is equal to approximately 85% 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 of the underlying shares is greater than or equal to 85%** of its respective initial

share price, meaning that neither of the underlying shares has decreased by an amount greater than the buffer amount of 15% from its respective initial share price: the stated principal amount and the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons with respect to the prior observation dates

· If the final share price of **either of the underlying shares is less than** 85% of its respective initial share price, meaning that **either** of the underlying shares has decreased by an amount greater than the buffer amount of 15% from its respective initial share price:

$\$1,000 + [\$1,000 \times (\text{share percent change of the worst performing underlying shares} + 15\%)]$

Under these circumstances, the payment at maturity will be less than the stated principal amount of \$1,000. However, under no circumstances will the securities pay less than the minimum payment at maturity of \$150 per security.

Terms continued on the following page

Morgan Stanley & Co. LLC (“MS & Co.”), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See “Supplemental information regarding plan of distribution; conflicts of interest.”

Agent:

Estimated value on the pricing date:

\$957.90 per security. See “Investment Summary” beginning on page 3.

Commissions and issue price:

Price to public Agent’s commission⁽¹⁾ Proceeds to us⁽²⁾

Per security

\$1,000 \$27.50 \$972.50

Total

\$250,000 \$6,875 \$243,125

Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$27.50 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 product supplement.

(2)

See “Use of proceeds and hedging” on page 27.

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 11.

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

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

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

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

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

Index Supplement dated November 16, 2017

Morgan Stanley Finance LLC

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All Payments on the Securities Based on the Worst Performing of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF

Principal at Risk Securities

Terms continued from previous page:

Initial share price:	With respect to the XOP Shares, \$31.79, which is its closing price on the pricing date
Coupon payment dates:	With respect to the GDX Shares, \$20.87, which is its closing price on the pricing date Monthly, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below. If any such day is not a business day, that coupon payment will be made on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day; <i>provided</i> that the contingent monthly coupon, if any, with respect to the final observation date shall be paid on the maturity date. 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. We also refer to April 26, 2021, which is the third scheduled business day preceding the scheduled maturity date, as the final observation date.
Observation dates:	With respect to each of the underlying shares, the closing price of such underlying shares on the final observation date <i>times</i> the adjustment factor on such date
Final share price:	\$150 per security (15% of the stated principal amount)
Minimum payment at maturity:	With respect to each of the underlying shares, 1.0, subject to adjustment in the event of certain events affecting such underlying shares
Adjustment factor:	The underlying shares with the larger percentage decrease from the respective initial share price to the respective final share price
Worst performing underlying shares:	With respect to each of the underlying shares: (final share price – initial share price) / initial share price
Share percent change:	61768D5E1 / US61768D5E10
CUSIP / ISIN:	The securities will not be listed on any securities exchange.
Listing:	

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

Observation Dates / Redemption Determination Dates	Coupon Payment Dates / Early Redemption Dates
5/28/2019*	5/31/2019*
6/25/2019*	6/28/2019*
7/25/2019*	7/30/2019*

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8/26/2019*	8/29/2019*
9/25/2019*	9/30/2019*
10/25/2019	10/30/2019
11/25/2019	11/29/2019
12/26/2019	12/31/2019
1/27/2020	1/30/2020
2/25/2020	2/28/2020
3/25/2020	3/30/2020
4/27/2020	4/30/2020
5/26/2020	5/29/2020
6/25/2020	6/30/2020
7/27/2020	7/30/2020
8/25/2020	8/28/2020
9/25/2020	9/30/2020
10/26/2020	10/29/2020
11/25/2020	12/1/2020
12/28/2020	12/31/2020
1/25/2021	1/28/2021
2/25/2021	3/2/2021
3/25/2021	3/30/2021
4/26/2021 (final observation date)	4/29/2021 (maturity date)

* The securities are not subject to automatic early redemption until the sixth coupon payment date, which is October 30, 2019.

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Contingent Income Buffered Auto-Callable Securities due April 29, 2021, With 6-month Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF

Principal at Risk Securities

Investment Summary

Contingent Income Buffered Auto-Callable Securities

Principal at Risk Securities

Contingent Income Buffered Auto-Callable Securities due April 29, 2021, With 6-month Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF (the “securities”) do not provide for the regular payment of interest. Instead, the securities will pay a contingent monthly coupon (plus any previously unpaid contingent monthly coupons from prior observation dates) **but only if** the determination closing price of **each of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF**, which we refer to as the underlying shares, is **at or above** 85% of its respective initial share price, which we refer to as the coupon barrier level, on the related observation date. If, however, the determination closing price of **either of the underlying shares** is less than its respective coupon barrier level on any observation date, we will pay no interest for the related monthly period. Beginning after six months, the securities will be automatically redeemed if the determination closing price of each of the underlying shares is **greater than or equal to** its respective initial share price on any monthly redemption determination 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. No further payments will be made on the securities once they have been redeemed. At maturity, if the securities have not previously been redeemed and the final share price of each of the underlying shares is **greater than or equal to** 85% of its respective initial share price, meaning that **neither** of the underlying shares has declined by an amount greater than the buffer amount of 15%, the payment at maturity will be the stated principal amount and the related contingent monthly coupon and any previously unpaid contingent monthly coupons from prior observation dates. However, if the final share price of **either** of the underlying shares is **less than** 85% of its respective initial share price, meaning that **either** of the underlying shares has declined by an amount greater than the buffer amount of 15%, investors will lose 1% for every 1% decline in the final share price of the worst performing underlying shares from its initial share price beyond the buffer amount of 15%. **Accordingly, investors in the securities must be willing to accept the risk of losing up to 85% of their initial investment and also the risk of not receiving any contingent monthly coupons throughout the 2-year term of the securities.** Investors will not participate in any appreciation in the price of either of the underlying shares.

Maturity: Approximately 2 years
A *contingent* monthly coupon at an annual rate of 10.00% (corresponding to approximately \$8.333 per month per security) will be paid on the securities on each coupon payment date **but only if** the determination closing price of **each of the underlying shares** is at or above its respective coupon barrier level on the related observation date.

If the contingent monthly coupon is not paid on any coupon payment date (because the determination closing price of either of the underlying shares on any observation date is less than the respective coupon barrier level), such unpaid contingent monthly coupon will be paid on a later coupon payment date but only if the determination closing price of each of the underlying shares on such later observation date is greater than or equal to the respective coupon barrier level;
provided, however,

Contingent monthly coupon: **in the case of any such payment of a previously unpaid contingent monthly coupon, that 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 determinaton closing price of either of the underlying shares is less than the respective coupon barrier level on each subsequent observation date.**

If, on any observation date, the determination closing price of either of the underlying shares is less than its respective coupon barrier level, no contingent monthly coupon will be paid with respect to that observation date. It is possible that one or both of the underlying shares will remain below their respective coupon barrier levels for extended periods of time or even throughout the entire 2-year term of the securities so that you will receive few or no contingent monthly coupons.

Automatic early redemption monthly: The securities are not subject to automatic early redemption until approximately six months after the original issue date. Following this initial 6-month non-call period, if the

Morgan Stanley Finance LLC

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All Payments on the Securities Based on the Worst Performing of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF

Principal at Risk Securities

starting after six months: determination closing price of **each of the underlying shares** is greater than or equal to its respective initial share price on any monthly redemption determination date, beginning on October 25, 2019, the 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. No further payments will be made on the securities once they have been redeemed.

If the securities have not previously been redeemed and the final share price of **each of the underlying shares** is **greater than or equal to 85%** of its respective initial share price, meaning that **neither** of the underlying shares has declined by an amount greater than the buffer amount of 15%, the payment at maturity will be the stated principal amount and the related contingent monthly coupon and any previously unpaid contingent monthly coupons from prior observation dates.

Payment at maturity: If the final share price of **either** of the underlying shares is **less than 85%** of its respective initial share price, meaning that **either** of the underlying shares has declined by an amount greater than the buffer amount of 15%, investors will lose 1% for every 1% decline in the final share price of the worst performing underlying shares from its initial share price beyond the buffer amount of 15%. Under these circumstances, the payment at maturity will be less than the stated principal amount of the securities. *However, under no circumstances will the securities pay less than the minimum payment at maturity of \$150 per security. Accordingly, investors in the securities must be willing to accept the risk of losing up to 85% of their initial investment.*

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Principal at Risk Securities

The original issue price of each security is \$1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than \$1,000. We estimate that the value of each security on the pricing date is \$957.90.

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 shares. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying shares, instruments based on the underlying shares, 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 coupon barrier levels and the buffer amount, 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 shares, 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 shares, 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.

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All Payments on the Securities Based on the Worst Performing of the SPDR® S&P® Oil & Gas Exploration & Production ETF and the Market Vectors Gold Miners ETF

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 (plus any previously unpaid contingent monthly coupons from prior observation dates) **but only if** the determination closing price of **each of the underlying shares** is **at or above its respective coupon barrier 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 2-year term of the securities in exchange for an opportunity to earn interest at a potentially above-market rate if both of the underlying shares close at or above their respective coupon barrier levels on each monthly observation date, 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 monthly coupon may be payable in none of, or some but not all of, the monthly periods during the 2-year term of the securities, and the payment at maturity may be up to 85% less than the stated principal amount of the securities.

This scenario assumes that, prior to early redemption, each of the underlying shares closes at or above its respective coupon barrier level on some monthly observation dates, but one or both of the underlying shares close below the coupon barrier level(s) on the others. Investors receive the contingent monthly coupon for the monthly periods for which the determination closing price of each of the underlying shares is at or above its respective coupon barrier level on the related observation date, but not for the monthly periods for which the determination closing price of either of the underlying shares is below the respective coupon barrier level(s) on the related observation date.

Scenario 1: The securities are redeemed prior to maturity

Beginning after six months, when each of the underlying shares closes at or above its respective initial share price 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 with respect to any prior observation dates.

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

This scenario assumes that each of the underlying shares closes at or above its respective coupon barrier level on some monthly observation dates, but one or both of the underlying shares close below the respective coupon barrier level(s) on the others, and at least one of the underlying shares closes below its initial share price on every monthly redemption determination date. Consequently, the securities are not redeemed early, and investors receive the contingent monthly coupon for the monthly periods for which the determination closing price of each of the underlying shares is at or above its respective coupon barrier level on the related observation date, but not for the monthly periods for which the determination closing price of one or both of the underlying shares is below the respective coupon barrier level(s) on the related observation date. On the final observation date, each of the underlying shares closes at or above 85% of its respective initial share price, meaning that neither of the underlying shares has declined by an amount greater than the buffer amount of 15%. At maturity investors will receive the stated principal amount and the related contingent monthly coupon and any previously unpaid contingent monthly coupons with respect to any prior observation dates.

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Principal at Risk Securities

This scenario assumes that each of the underlying shares closes at or above its respective coupon barrier level on some monthly observation dates, but one or both of the underlying shares close below the respective coupon barrier level(s) on the others, and at least one of the underlying shares closes below its initial share price on every monthly redemption determination date. Consequently, the

Scenario 3: These securities are not redeemed early, and investors receive the contingent monthly coupon for the securities are not redeemed prior to maturity, and investors suffer a loss of principal at maturity monthly periods for which the determination closing price of each of the underlying shares is greater than or equal to its respective coupon barrier level on the related observation date, but not for the monthly periods for which the determination closing price of one or both of the underlying shares is below the respective coupon barrier level(s) on the related observation date. On the final observation date, at least one of the underlying shares closes below 85% of its respective initial share price, meaning that such underlying shares has declined by an amount greater than the buffer amount of 15%. At maturity, investors will lose 1% for every 1% decline in the final share price of the worst performing underlying shares from its initial share price beyond the buffer amount of 15%. Under these circumstances, the payment at maturity will be less than the stated principal amount. Investors may lose up to 85% of their investment in the securities. No coupon will be paid at maturity in this scenario and investors will not receive payment for any previously unpaid contingent monthly coupons.

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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, 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 of the underlying shares on each monthly observation date, and the amount you will receive at maturity will be determined by reference to the final share price of each of the underlying shares on the final observation date. The actual initial share price and coupon barrier level for each of the underlying shares are set forth on the cover of this document. All payments on the securities are subject to our credit risk. The below examples are based on the following terms:

10.00% per annum (corresponding to approximately \$8.333 per month per security)¹

Contingent Monthly Coupon:

With respect to each coupon payment date, a contingent monthly coupon plus any previously unpaid contingent monthly coupons with respect to any prior observation dates is paid but only if the determination closing price of each of the underlying shares is at or above its respective coupon barrier level on the related observation date.

If the final share price of **each** of the underlying shares is **greater than or equal to 85%** of its respective initial share price: the stated principal amount and the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons with respect to the prior observation dates.

Payment at Maturity (if the securities are not redeemed prior to maturity):

If the final share price of **either** of the underlying shares is **less than 85%** of its respective initial share price:

$\$1,000 + [\$1,000 \times (\text{share percent change of the worst performing underlying shares} + 15\%)]$

Stated Principal Amount: \$1,000

Minimum Payment at Maturity: \$150 per security

Hypothetical Initial Share Price: With respect to the XOP Shares: \$26.00

With respect to the GDV Shares: \$21.00

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Hypothetical Coupon Barrier Level: With respect to the XOP Shares: \$22.10, which is 85% of its hypothetical initial share price
 With respect to the GDY Shares: \$17.85, which is 85% of its hypothetical initial share price
 Buffer Amount: With respect to each of the underlying shares: 15%

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 rate of \$8.333 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
	XOP Shares	GDY Shares	
Hypothetical Observation Date 1	\$25.00 (at or above its coupon barrier level)	\$20.00 (at or above its coupon barrier level)	\$8.333
Hypothetical Observation Date 2	\$23.00 (at or above its coupon barrier level)	\$13.50 (below its coupon barrier level)	\$0
Hypothetical Observation Date 3	\$19.00 (below its coupon barrier level)	\$25.75 (at or above its coupon barrier level)	\$0
Hypothetical Observation Date 4	\$24.50 (at or above its coupon barrier level)	\$19.00 (at or above its coupon barrier level)	\$8.333 + \$8.333 + \$8.333 = \$24.999
Hypothetical Observation Date 5	\$18.00 (below its coupon barrier level)	\$14.00 (below its coupon barrier level)	\$0

On hypothetical observation date 1, each of the underlying shares closes at or above its respective coupon barrier level. Therefore, a contingent monthly coupon of \$8.333 is paid on the relevant coupon payment date.

On each of hypothetical observation dates 2 and 3, one of the underlying shares closes at or above its respective coupon barrier level but the other underlying shares closes below its respective coupon barrier level. Therefore, no contingent monthly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 4, each of the underlying shares closes at or above its respective coupon barrier level. Therefore, investors receive the contingent monthly coupon with respect to the fourth observation date as well as the previously unpaid contingent monthly coupons with respect to the second and third observation dates.

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On hypothetical observation date 5, each of the underlying shares closes below its respective coupon barrier 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 either of the underlying shares is below its respective coupon barrier level on the related observation date.

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How to calculate the payment at maturity:

In the following examples, one or both of the underlying shares close below the respective initial share price(s) 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
	XOP Shares	GDX Shares	
Example 1:	\$35.00 (at or above 85% of initial share price)	\$28.50 (at or above 85% of initial share price)	the stated principal amount and the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons from prior observation dates $\$1,000 + [\$1,000 \times (\text{share percent change of the worst performing underlying shares} + 15\%)]$ $= \$1,000 + [\$1,000 \times (-75\% + 15\%)]$ $= \$1,000 + (\$1,000 \times -60.00\%) = \400
Example 2:	\$6.50 (below 85% of initial share price)	\$50.00 (at or above 85% of initial share price)	$\$1,000 + [\$1,000 \times (\text{share percent change of the worst performing underlying shares} + 15\%)]$
Example 3:	\$19.00 (below 85% of initial share price)	\$3.15 (below 85% of initial share price)	$\$1,000 + [\$1,000 \times (\text{share percent change of the worst performing underlying shares} + 15\%)]$

$$\begin{aligned}
 & \text{underlying shares +} \\
 & \text{15\%}] \\
 & = \$1,000 + [\$1,000 \\
 & \times (-85\% + 15\%)] \\
 & = \$1,000 + (\$1,000 \\
 & \times -70.00\%) = \$300
 \end{aligned}$$

In example 1, the final share prices of each of the underlying shares is at or above 85% of its initial share price. Therefore, investors receive at maturity the stated principal amount of the securities and the contingent monthly coupon with respect to the final observation date and any previously unpaid contingent monthly coupons from prior observation dates. However, investors do not participate in any appreciation of either of the underlying shares.

In example 2, the final share price of one of the underlying shares is at or above 85% of its initial share price, but the final share price of the other underlying shares is below 85% of its initial share price. Therefore, investors are exposed to the downside performance of the XOP Shares, which are the worst performing underlying shares in this example, and investors lose 1% of principal for every 1% decline in the final share price of the XOP Shares from its initial share price beyond the buffer amount of 15%. The payment at maturity in this example is equal to \$400 per security. Investors do not receive the contingent monthly coupon for the final observation date.

In example 3, the final share prices of both of the underlying shares are below 85% of their initial share prices. Therefore, investors are exposed to the downside performance of the GDX Shares, which are the worst performing underlying shares in this example, and investors lose 1% of principal for every 1% decline in the final share price of the GDX Shares from its initial share price beyond the buffer amount of 15%. The payment at maturity in this example is equal to \$300 per security. Investors do not receive the contingent monthly coupon for the final observation date.

If the final share price of EITHER of the underlying shares is below 85% of its initial share price, you will be exposed to the downside performance of the worst performing underlying shares at maturity, and your payment at maturity will be less than the stated principal amount per security. Under these circumstances, you will lose some, and up to 85%, of your investment in the securities.

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Risk Factors

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

The securities provide a minimum payment at maturity of only 15% of your principal. The terms of the securities differ from those of ordinary debt securities in that they provide a minimum payment at maturity of only 15% of the stated principal amount at maturity. If the securities have not been automatically redeemed prior to maturity and if the final share price of **either** of the underlying shares is **less than** 85% of its respective initial share price, meaning that either of the underlying shares has declined by an amount greater than the buffer amount of 15%, you will lose 1% for every 1% decline in the final share price of the worst performing underlying shares from its initial share price beyond the buffer amount of 15%. In this case, the payment at maturity will be less than the stated principal amount. **You could lose up to 85% of your 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 of the underlying shares is at or above 85% of its respective initial share price, which we refer to as the coupon barrier level, on the related observation date. If, on the other hand, the determination closing price of either of the underlying shares is lower than the respective coupon barrier level on the relevant observation date for any interest period, we will pay no coupon on the applicable coupon payment date. However, if the contingent monthly coupon is not paid on any coupon payment date because the determination closing price of either of the underlying shares is less than the respective coupon barrier level on the related observation date, such unpaid contingent monthly coupon will be paid on a later coupon payment date but only if the determination closing price of each of the underlying shares on such later observation date is greater than or equal to the respective coupon barrier level. Therefore, you will not receive such unpaid contingent monthly coupon if the determination closing price of either of the underlying shares is less than its respective coupon barrier level on each subsequent observation date. It is possible that the determination closing price of one or both of the underlying shares could remain below the respective coupon barrier level(s) for extended periods of time or even throughout the entire 2-year term of the securities so that you will receive few or no contingent monthly coupons. If you do not earn sufficient contingent monthly coupons over the term of the securities, the overall return on the securities may be less than the amount that

would be paid on a conventional debt security of ours of comparable maturity.

You are exposed to the price risk of each of the underlying shares, with respect to both the contingent monthly coupons, if any, and the payment at maturity. Your return on the securities is not linked to a basket consisting of each of the underlying shares. Rather, it will be contingent upon the independent performance of each of the underlying shares. 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 of the underlying shares. Poor performance by **either** of the underlying shares 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 underlying shares. To receive **any** contingent monthly coupons, **each of the underlying shares** must close at or above its respective coupon barrier level on the applicable observation date. In addition, if **either** of the underlying shares has declined to below 85% of its respective initial share price as of the final observation date, meaning that either of the underlying shares has declined by an amount greater than the buffer amount of 15%, you will lose 1% for every 1% decline in the final share price of the worst performing underlying shares from its initial share price beyond the buffer amount of 15%, even if the other underlying shares has appreciated or has not declined as much. Under this scenario, the value of any such payment will be less than the stated principal amount. Accordingly, your investment is subject to the price risk of each of the underlying shares.

Investing in the securities exposes investors to risks associated with investments in securities with a concentration in the oil and gas exploration and production industry. The stocks included in the S&P[®] Oil & Gas Exploration & Production Select Industry Index[®] and that are generally tracked by the XOP Shares are stocks of companies whose primary business is associated with the exploration and production of oil and gas. As a result, the value of the securities may be subject to greater volatility and may be more adversely affected by a single economic, political or regulatory occurrence affecting this industry than a different investment linked to securities of a more broadly diversified group of issuers or issuers in a less volatile industry. The oil and gas industry is significantly affected by a number of

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factors that influence worldwide economic conditions and oil and gas prices, such as natural disasters, supply disruptions, geopolitical events and other factors that may offset or magnify each other, including:

- o worldwide and domestic supplies of, and demand for, crude oil and natural gas;
- o the cost of exploring for, developing, producing, refining and marketing crude oil and natural gas;
 - o consumer confidence;
 - o changes in weather patterns and climatic changes;
- o the ability of the members of Organization of Petroleum Exporting Countries (OPEC) and other producing nations to agree to and maintain production levels;
- o the worldwide military and political environment, uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities or further acts of terrorism in the United States, or elsewhere;
 - o the price and availability of alternative and competing fuels;
 - o domestic and foreign governmental regulations and taxes;
 - o employment levels and job growth; and
 - o general economic conditions worldwide.

These or other factors or the absence of such factors could cause a downturn in the oil and natural gas industries generally or regionally and could cause the value of some or all of the component stocks included in the S&P[®] Oil & Gas Exploration & Production Select Industry Index[®] to decline during the term of the securities.

Investing in the securities exposes investors to risks associated with investments in securities with a concentration in the gold and silver mining industry. The securities are subject to certain risks applicable to the gold and silver mining industry. The stocks included in the NYSE Arca Gold Miners Index and that are generally §tracked by the GDX Shares are stocks of companies primarily engaged in the mining of gold or silver. The underlying shares may be subject to increased price volatility as they are linked to a single industry, market or sector and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that industry, market or sector.

Because the GDX Shares primarily invests in stocks, American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”) of companies that are involved in the gold mining industry, the underlying shares are subject to certain risks associated with such companies.

Competitive pressures may have a significant effect on the financial condition of companies in the gold mining industry. Also, gold mining companies are highly dependent on the price of gold. Gold prices are subject to volatile price movements over short periods of time and are affected by numerous factors. These include economic factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates and gold borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. Gold prices may also be affected by industry factors such as industrial and jewelry demand, lending, sales and purchases of gold by the official sector, including central banks and other governmental agencies and multilateral institutions which hold gold, levels of gold production and production costs, and short-term changes in supply and demand because of trading activities in the gold market.

The GDX Shares invests to a lesser extent in stocks, ADRs and GDRs of companies involved in the silver mining industry. Silver mining companies are highly dependent on the price of silver. Silver prices can fluctuate widely and may be affected by numerous factors. These include general economic trends, technical developments, substitution issues and regulation, as well as specific factors including industrial and jewelry demand, expectations with respect to the rate of inflation, the relative strength of the U.S. dollar (the currency in which the price of silver is generally quoted) and other currencies, interest rates, central bank sales, forward sales by producers, global or regional political or economic events, and production costs and disruptions in major silver producing countries such as Mexico and Peru. The supply of silver consists of a combination of new mine production and existing stocks of bullion and fabricated silver held by governments, public and private financial institutions, industrial organizations and private individuals. In addition, the price of silver has on occasion been subject to very rapid short-term changes due to speculative activities. From time to time, above-ground inventories of silver may also influence the market. The major end-uses for silver include industrial applications, jewelry, photography and silverware.

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The prices of the GDX Shares are subject to currency exchange risk. Because the prices of the GDX Shares are related to the U.S. dollar value of stocks underlying the NYSE Arca Gold Miners Index, holders of the securities will be exposed to currency exchange rate risk with respect to the currencies in which such component securities trade. Exchange rate movements for a particular currency are volatile and are the result of numerous factors including the supply of, and the demand for, those currencies, as well as relevant government policy, intervention or actions, but § are also influenced significantly from time to time by political or economic developments, and by macroeconomic factors and speculative actions related to the relevant region. An investor's net exposure will depend on the extent to which the currencies of the component securities strengthen or weaken against the U.S. dollar and the relative weight of each currency. If, taking into account such weighting, the dollar strengthens against the currencies of the component securities represented in the NYSE Arca Gold Miners Index, the price of the GDX Shares will be adversely affected.

The contingent monthly coupon, if any, is based only on the determination closing prices of the underlying shares on the related monthly observation date at the end of the related interest period. Whether the contingent monthly coupon will be paid on any coupon payment date will be determined at the end of the relevant interest period based on the determination closing price of each of the underlying shares on the relevant monthly observation date. As a result, you will not know whether you will receive the contingent monthly coupon on any coupon § payment date until near the end of the relevant interest period. Moreover, because the contingent monthly coupon is based solely on the price of each of the underlying shares on monthly observation dates, if the determination closing price of either of the underlying shares on any observation date is below its respective coupon barrier level, you will receive no coupon for the related interest period even if the price(s) of one or both of the underlying shares were higher on other days during that interest period.

Investors will not participate in any appreciation in the price of either of the underlying shares. Investors will § not participate in any appreciation in the price of the underlying shares from their initial share prices, and the return on the securities will be limited to the contingent monthly coupon that is paid with respect to each observation date on which each determination closing price is greater than or equal to its respective coupon barrier level, if any.

The market price will be influenced by many unpredictable factors. Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may § be willing to purchase or sell the securities in the secondary market. We expect that generally the level of interest rates available in the market and the prices of the underlying shares on any day, including in relation to the respective coupon barrier levels, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

the trading price and volatility (frequency and magnitude of changes in value) of the underlying shares and the stocks constituting their respective share underlying indices,

whether the determination closing price of either of the underlying shares has been below its respective coupon barrier level on any observation date,

- o dividend rates on the stocks constituting the share underlying indices,

geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying shares or equity markets generally and which may affect the prices of the underlying shares,

- o the time remaining until the securities mature,

- o interest and yield rates in the market,

- o the availability of comparable instruments,

the occurrence of certain events affecting the underlying shares that may or may not require an adjustment to the adjustment factor,

- o the composition of the underlyings and changes in the constituents of the underlying shares, and

- o any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you sell your securities prior to maturity. For example, you may have to sell your securities at a substantial discount from the stated principal amount of \$1,000 per security if the price of either of the underlying shares at the time of sale is near or below its coupon barrier level or if market interest rates rise.

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The price of any or both of the underlying shares may be, and have recently been, volatile, and we can give you no assurance that the volatility will lessen. The prices of one or both of the underlying shares may decrease and be below the respective coupon barrier level(s) on each observation date so that you will receive no return on your investment, and one or both of the underlying shares may decline by an amount greater than the buffer amount as of the final observation date so that you lose some or a significant portion of your initial investment in the securities. There can be no assurance that the closing price of each of the underlying shares will be at or above their respective coupon barrier level on any observation date so that you will receive a coupon payment on the securities for the applicable interest period, or that neither of the underlying shares will decline by an amount greater than the buffer amount of 15% as of the final observation date so that you do not suffer a loss on your initial investment in the securities. See “SPDR® S&P® Oil & Gas Exploration & Production ETF Overview” and “Market Vectors Gold Miners ETF Overview” below.

The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities. You are dependent on our ability to pay all amounts due on the securities on each coupon payment date, upon automatic redemption and at maturity and therefore you are subject to our credit risk. The securities are not guaranteed by any other entity. If we default on our § obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market’s view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.

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

§ **Reinvestment risk.** The term of your investment in the securities may be shortened due to the automatic early redemption feature of the securities. If the securities are redeemed prior to maturity, you will receive no more contingent monthly coupons and may be forced to invest in a lower interest rate environment and may not be able to

reinvest at comparable terms or returns. However, under no circumstances will the securities be redeemed in the six months of the term of the securities.

The antidilution adjustments the calculation agent is required to make do not cover every event that could affect the underlying shares. MS & Co., as calculation agent, will adjust the adjustment factors for certain events § affecting the underlying shares. However, the calculation agent will not make an adjustment for every event that can affect the underlying shares. If an event occurs that does not require the calculation agent to adjust an adjustment factor, the market price of the securities may be materially and adversely affected.

The securities will not be listed on any securities exchange and secondary trading may be limited, and accordingly, you should be willing to hold your securities for the entire 2-year term of the securities. The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. MS & Co. may, but is not obligated to, make a market in the securities and, if it once chooses to make a market, may cease doing so at any time. When it does make a market, it will generally do so for transactions of § routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than § the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the

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

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

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

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

Adjustments to the underlying shares or the indices tracked by the underlying shares could adversely affect the value of the securities. The investment advisor to each of the underlying shares (SSGA Funds Management Inc. for the XOP Shares and Van Eck Associates Corporation for the GDX Shares) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the relevant share underlying index. Pursuant to its investment strategy or otherwise, the investment advisor may add, delete or substitute the stocks composing the respective underlying shares. Any of these actions could adversely affect the price of the respective underlying shares and, consequently, the value of the securities. The publishers of the share underlying § indices are responsible for calculating and maintaining the share underlying indices. They may add, delete or substitute the securities constituting the share underlying indices or make other methodological changes that could change the value of the share underlying indices, and, consequently, the price of the underlying shares and the value of the securities. The publishers of the share underlying indices may discontinue or suspend calculation or publication of a share underlying index at any time. In these circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued share underlying index and will be permitted to consider indices that are calculated and published by the calculation agent or any of its affiliates.

The performance and market price of either of the underlying shares, particularly during periods of market volatility, may not correlate with the performance of its respective share underlying index, the performance of the component securities of such share underlying index or the net asset value per share of such underlying shares. The underlying shares do not fully replicate their respective share underlying indices, and each may hold securities that are different than those included in its respective share underlying index. In addition, the performance of each of the underlying shares will reflect additional transaction costs and fees that are not included in the § calculation of the share underlying indices. All of these factors may lead to a lack of correlation between the performance of each of the underlying shares and its respective share underlying index. In addition, corporate actions (such as mergers and spin-offs) with respect to the equity securities underlying each of the underlying shares may impact the variance between the performance of each of the underlying shares and its respective share underlying index. Finally, because the shares of each of the underlying shares are traded on an exchange and are subject to market supply and investor demand, the

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market price of one share of each of the underlying shares may differ from the net asset value per share of such underlying shares.

In particular, during periods of market volatility, or unusual trading activity, trading in the securities underlying each of the underlying shares may be disrupted or limited, or such securities may be unavailable in the secondary market. Under these circumstances, the liquidity of each underlying shares may be adversely affected, market participants may be unable to calculate accurately the net asset value per share of each of the underlying shares, and their ability to create and redeem shares of each of the underlying shares may be disrupted. Under these circumstances, the market price of shares of each of the underlying shares may vary substantially from the net asset value per share of each underlying share or the level of its respective share underlying index.

For all of the foregoing reasons, the performance of each of the underlying shares may not correlate with the performance of its respective share underlying index, the performance of the component securities of such share underlying index or the net asset value per share of such underlying shares. Any of these events could materially and adversely affect the prices of each of the underlying shares and, therefore, the value of the securities. Additionally, if market volatility or these events were to occur on the final observation date, the calculation agent would maintain discretion to determine whether such market volatility or events have caused a market disruption event to occur, and such determination would affect the payment at maturity of the securities. If the calculation agent determines that no market disruption event has taken place, the payment at maturity would be based solely on the published closing price per share of each of the underlying shares on the final observation date, even if either of the underlying shares is underperforming its respective share underlying index or the component securities of such share underlying index and/or trading below the net asset value per share of such underlying shares.

Not equivalent to investing in the underlying shares or the stocks composing the share underlying indices.

Investing in the securities is not equivalent to investing in the underlying shares, the share underlying indices or the §stocks that constitute the share underlying indices. Investors in the securities will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying shares or the stocks that constitute the share underlying indices.

§ Hedging and trading activity by our affiliates could potentially affect the value of the securities. One or more of our affiliates and/or third-party dealers have carried out, and will continue to carry out, hedging activities related

to the securities (and to other instruments linked to the underlying shares and the share underlying indices), including trading in the underlying shares. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. Some of our affiliates also trade the underlying shares and other financial instruments related to the underlying shares and the share underlying indices on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could have increased the initial share price of either of the underlying shares and, therefore, could have increased (i) the value at or above which such underlying shares must close on the redemption determination dates so that the securities are redeemed prior to maturity for the early redemption payment (depending also on the performance of the other underlying shares), (ii) the coupon barrier level for such underlying shares, which is the value at or above which the underlying shares must close on the observation dates so that you receive a contingent monthly coupon on the securities (depending also on the performance of the other underlying shares), and (iii) the value at or above which such underlying shares must close on the final observation date so that you are not exposed to the negative performance of the worst performing underlying shares at maturity (depending also on the performance of the other underlying shares). Additionally, such hedging or trading activities during the term of the securities could potentially affect the value of either of the underlying shares on the redemption determination dates and the observation dates and, accordingly, whether we redeem the securities prior to maturity, whether we pay a contingent monthly coupon on the securities and the amount of cash you will receive at maturity.

The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities. As calculation agent, MS & Co. has determined the initial share prices and the coupon barrier levels and will determine the final share prices, the payment at maturity, whether you receive a contingent monthly coupon on each coupon payment date and/or at maturity, whether you will receive any § previously unpaid contingent monthly coupons, whether the securities will be redeemed on any early redemption date, whether a market disruption event has occurred and whether to make any adjustments to the adjustment factors. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events or calculation of the

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determination closing price in the event of a market disruption event. These potentially subjective determinations may affect the payout to you upon an automatic early redemption or at maturity. For further information regarding these types of determinations, see “Description of Auto-Callable Securities—Auto-Callable Securities Linked to Underlying Shares” and “—Calculation Agent and Calculations” in the accompanying product supplement. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

The U.S. federal income tax consequences of an investment in the securities are uncertain. There is no direct § legal authority as to the proper treatment of the securities for U.S. federal income tax purposes, and, therefore, significant aspects of the tax treatment of the securities are uncertain.

Please read the discussion under “Additional Information—Tax considerations” in this document concerning the U.S. federal income tax consequences of an investment in the securities. We intend to treat a security for U.S. federal income tax purposes as a single financial contract that provides for a coupon that will be treated as gross income to you at the time received or accrued, in accordance with your regular method of tax accounting. Under this treatment, the ordinary income treatment of the coupon payments, in conjunction with the capital loss treatment of any loss recognized upon the sale, exchange or settlement of the securities, could result in adverse tax consequences to holders of the securities because the deductibility of capital losses is subject to limitations. We do not plan to request a ruling from the Internal Revenue Service (the “IRS”) regarding the tax treatment of the securities, and the IRS or a court may not agree with the tax treatment described herein. If the IRS were successful in asserting an alternative treatment for the securities, the timing and character of income or loss on the securities might differ significantly from the tax treatment described herein. For example, under one possible treatment, the IRS could seek to recharacterize the securities as debt instruments. In that event, U.S. Holders (as defined below) would be required to accrue into income original issue discount on the securities every year at a “comparable yield” determined at the time of issuance (as adjusted based on the difference, if any, between the actual and the projected amount of any contingent payments on the securities) and recognize all income and gain in respect of the securities as ordinary income. The risk that financial instruments providing for buffers, triggers or similar downside protection features, such as the securities, would be recharacterized as debt is greater than the risk of recharacterization for comparable financial instruments that do not have such features.

Non-U.S. Holders (as defined below) should note that we currently intend to withhold on any coupon paid to Non-U.S. Holders generally at a rate of 30%, or at a reduced rate specified by an applicable income tax treaty under an “other income” or similar provision, and will not be required to pay any additional amounts with respect to amounts withheld.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. While it is not clear whether the securities would be viewed as similar to the prepaid forward contracts described in the notice, it is possible that any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. The notice focuses on a number of issues, the most relevant of which for holders of the securities are the character and timing of income or loss and the degree, if any, to which income realized by non-U.S. investors should be subject to withholding tax. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments, the issues presented by this notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

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Principal at Risk Securities

SPDR® S&P® Oil & Gas Exploration & Production ETF Overview

The SPDR® S&P® Oil & Gas Exploration & Production ETF is an exchange-traded fund that seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of publicly traded equity securities of companies included in the S&P® Oil & Gas Exploration & Production Select Industry Index®. The SPDR® S&P® Oil & Gas Exploration & Production ETF is managed by SPDR® Series Trust (the “Trust”), a registered investment company that consists of numerous separate investment portfolios, including the SPDR® S&P® Oil & Gas Exploration & Production ETF. Information provided to or filed with the Securities and Exchange Commission by the Trust pursuant to the Securities Act of 1933 and the Investment Company Act of 1940 can be located by reference to Commission file numbers 333-57793 and 811-08839, 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 SPDR® S&P® Oil & Gas Exploration & Production ETF is accurate or complete.**

Information as of market close on April 25, 2019:

Ticker Symbol:	XOP UP
Current Stock Price:	\$31.79
52 Weeks Ago:	\$39.12
52 Week High (on 10/3/2018):	\$44.57
52 Week Low (on 12/24/2018):	\$24.12

The following graph sets forth the daily closing values of the XOP Shares for the period from January 1, 2014 through April 25, 2019. The related table sets forth the published high and low closing prices, as well as the end-of-quarter closing prices, of the XOP Shares for each quarter in the same period. The closing price of the XOP Shares on April 25, 2019 was \$31.79. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The historical performance of the XOP Shares should not be taken as an indication of its future performance, and no assurance can be given as to the price of the XOP Shares at any time, including on the redemption determination dates or the observation dates.

Shares of the SPDR® S&P® Oil & Gas Exploration & Production ETF – Daily Closing Prices
January 1, 2014 to April 25, 2019

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SPDR® S&P® Oil & Gas Exploration & Production ETF (CUSIP: 78464A730)	High (\$)	Low (\$)	Period End (\$)
2014			
First Quarter	71.83	64.04	71.83
Second Quarter	83.45	71.19	82.28
Third Quarter	82.08	68.83	68.83
Fourth Quarter	66.84	42.75	47.86
2015			
First Quarter	53.94	42.55	51.66
Second Quarter	55.63	46.43	46.66
Third Quarter	45.22	31.71	32.84
Fourth Quarter	40.53	28.64	30.22
2016			
First Quarter	30.96	23.60	30.35
Second Quarter	37.50	29.23	34.81
Third Quarter	39.12	32.75	38.46
Fourth Quarter	43.42	34.73	41.42
2017			
First Quarter	42.21	35.17	37.44
Second Quarter	37.89	30.17	31.92
Third Quarter	34.37	29.09	34.09
Fourth Quarter	37.64	32.25	37.18
2018			
First Quarter	39.85	32.38	35.22
Second Quarter	44.22	34.03	43.06
Third Quarter	44.52	39.10	43.29
Fourth Quarter	44.57	24.12	26.53
2019			
First Quarter	31.61	27.10	30.74
Second Quarter (through April 25, 2019)	32.98	30.16	31.79

This document relates only to the securities referenced hereby and does not relate to the XOP Shares. We have derived all disclosures contained in this document regarding the Trust 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 the Trust. Neither we nor the agent makes any representation that such publicly available documents or any other publicly available information regarding the Trust 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 XOP Shares (and therefore the price of the XOP Shares at the time we priced the securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Trust 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 XOP Shares.

We and/or our affiliates may presently or from time to time engage in business with the Trust. In the course of such business, we and/or our affiliates may acquire non-public information with respect to the Trust, 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 XOP Shares. 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 purchaser of the securities, you should undertake an independent investigation of the Trust as in your judgment is appropriate to make an informed decision with respect to an investment linked to the XOP Shares.

“S&P”, “SPDR” and “S&POil & Gas Exploration & Production Select Industry Index®” are trademarks of Standard & Poor’s Financial Services LLC (“S&P”), an affiliate of The McGraw-Hill Companies, Inc. (“MGH”). The securities are not sponsored, endorsed, sold, or promoted by S&P, MGH or the Trust. S&P, MGH and the Trust make no representations or warranties to the owners of the securities or any member of the public regarding the advisability of investing in the Securities. S&P, MGH and the the Trust have no obligation or liability in connection with the operation, marketing, trading or sale of the securities.

The S&P® Oil & Gas Exploration & Production Select Industry Index®. The S&P® Oil & Gas Exploration & Production Select Industry Index® is an equal-weighted index designed to measure the performance of the oil and gas exploration and production sub-industry portion of the S&P® Total Market Index, a benchmark that measures the performance of the U.S. equity market.

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Principal at Risk Securities

Market Vectors Gold Miners ETF Overview

The Market Vectors Gold Miners ETF is an exchange-traded fund managed by Van Eck Associates Corporation (“Van Eck”), a registered investment company, that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the NYSE Arca Gold Miners Index. Information provided to or filed with the Securities and Exchange Commission (“the Commission”) by Van Eck pursuant to the Securities Act of 1933 and the Investment Company Act of 1940 can be located by reference to Commission file numbers 333-123257 and 811-10325, 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 VanEck Vectors Oil Services™ ETF is accurate or complete.**

Information as of market close on April 25, 2019:

Ticker Symbol:	GDX UP
Current Share Price:	\$20.87
52 Weeks Ago:	\$22.50
52 Week High (on 2/20/2019):	\$23.36
52 Week Low (on 9/11/2018):	\$17.57

The following graph sets forth the daily closing values of the GDX Shares for the period from January 1, 2014 through April 25, 2019. The related table sets forth the published high and low closing prices, as well as the end-of-quarter closing prices, of the GDX Shares for each quarter in the same period. The closing price of the GDX Shares on April 25, 2019 was \$20.87. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The historical performance of the GDX Shares should not be taken as an indication of its future performance, and no assurance can be given as to the price of the GDX Shares at any time, including on the redemption determination dates or the observation dates.

Shares of the Market Vectors Gold Miners ETF — Daily Closing Prices

January 1, 2014 to April 25, 2019

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Morgan Stanley Finance LLC

Contingent Income Buffered Auto-Callable Securities due April 29, 2021, With 6-month Initial Non-Call Period

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Market Vectors Gold Miners ETF (CUSIP 5706U100)	High (\$)	Low (\$)	Period End (\$)
2014			
First Quarter	27.73	21.27	23.60
Second Quarter	26.45	22.04	26.45
Third Quarter	27.46	21.35	21.35
Fourth Quarter	21.94	16.59	18.38
2015			
First Quarter	22.94	17.67	18.24
Second Quarter	20.82	17.76	17.76
Third Quarter	17.85	13.04	13.74
Fourth Quarter	16.90	13.08	13.72
2016			
First Quarter	20.86	12.47	19.98
Second Quarter	27.70	19.53	27.70
Third Quarter	31.32	25.45	26.43
Fourth Quarter	25.96	18.99	20.92
2017			
First Quarter	25.57	21.14	22.81
Second Quarter	24.57	21.10	22.08
Third Quarter	25.49	21.21	22.96
Fourth Quarter	23.84	21.42	23.24
2018			
First Quarter	24.60	21.27	21.98
Second Quarter	23.06	21.81	22.31
Third Quarter	22.68	17.57	18.52
Fourth Quarter	21.09	18.39	21.09
2019			
First Quarter	23.36	20.31	22.42
Second Quarter (through April 25, 2019)	22.82	20.82	20.87

This document relates only to the securities referenced hereby and does not relate to the GDX Shares. We have derived all disclosures contained in this document regarding Van Eck 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 Van Eck. Neither we nor the agent makes any representation that such publicly available documents or any other publicly available information regarding Van Eck 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 GDX Shares (and therefore the price of the GDX Shares at the time we priced the securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning Van Eck 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 GDX Shares.

We and/or our affiliates may presently or from time to time engage in business with Van Eck. In the course of such business, we and/or our affiliates may acquire non-public information with respect to Van Eck, 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 GDX Shares. 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 purchaser of the securities, you should undertake an independent investigation of Van Eck as in your judgment is appropriate to make an informed decision with respect to an investment linked to the GDX Shares.

Market VectorsSM is a service mark of Van Eck Associates Corporation (“Van Eck”). The securities are not sponsored, endorsed, sold, or promoted by Van Eck. Van Eck 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. Van Eck has no obligation or liability in connection with the operation, marketing, trading or sale of the securities.

The NYSE Arca Gold Miners Index. The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining of gold and silver. The NYSE Arca Gold Miners Index includes common stocks, American depositary receipts or global depositary receipts of selected companies involved in the mining for gold and silver ore and are listed for trading and electronically quoted on a major stock market that is accessible by foreign investors. For additional information about the NYSE Arca Gold Miners Index, please see the information set forth under “NYSE Arca Gold Miners Index” in the accompanying index supplement.

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Principal at Risk Securities

Additional Terms of the Securities

Please read this information in conjunction with the summary terms on the front cover of this document.

Additional Terms:

If the terms described herein are inconsistent with those described in the accompanying product supplement, index supplement or prospectus, the terms described herein shall control.

- Interest period:** The monthly period from and including the original issue date (in the case of the first interest period) or the previous scheduled coupon payment date, as applicable, to but excluding the following scheduled coupon payment date, with no adjustment for any postponement thereof.
- Record date:** The record date for each coupon payment date shall be the date one business day prior to such scheduled coupon payment date; *provided*, however, that any coupon payable at maturity (or upon early redemption) shall be payable to the person to whom the payment at maturity or early redemption payment, as the case may be, shall be payable.
- Share underlying indices:** With respect to the XOP Shares, the S&P® Oil & Gas Exploration & Production Select Industry Index®
- Share underlying index publishers:** With respect to the GDX Shares, the NYSE Arca Gold Miners Index
With respect to the XOP Shares, S&P Dow Jones Indices LLC, or any successor thereof.
- Day count convention:** With respect to the GDX Shares, NYSE Arca, or any successor thereof.
Interest will be computed on the basis of a 360-day year of twelve 30-day months.
- Postponement of coupon payment dates (including the maturity date) and early redemption dates:** If any observation date or redemption determination date is postponed due to a non-trading day or certain market disruption events with respect to either of the underlying shares so that it falls less than two business days prior to the relevant scheduled coupon payment date (including the maturity date) or early redemption date, as applicable, the coupon payment date (or the maturity date) or the early redemption date will be postponed to the second business day following that observation date or redemption determination date as postponed, and no adjustment will be made to any coupon payment, early redemption payment or payment at maturity made on that postponed date.
- Trustee:** The Bank of New York Mellon
- Calculation agent:** MS & Co.

Issuer notices to registered security holders, the trustee and the depository: In the event that the maturity date is postponed due to postponement of the final observation date, the issuer shall give notice of such postponement and, once it has been determined, of the date to which the maturity date has been rescheduled (i) to each registered holder of the securities by mailing notice of such postponement by first class mail, postage prepaid, to such registered holder's last address as it shall appear upon the registry books, (ii) to the trustee by facsimile, confirmed by mailing such notice to the trustee by first class mail, postage prepaid, at its New York office and (iii) to The Depository Trust Company (the "depository") by telephone or facsimile confirmed by mailing such notice to the depository by first class mail, postage prepaid. Any notice that is mailed to a registered holder of the securities in the manner herein provided shall be conclusively presumed to have been duly given to such registered holder, whether or not such registered holder receives the notice. The issuer shall give such notice as promptly as possible, and in no case later than (i) with respect to notice of postponement of the maturity date, the business day immediately preceding the scheduled maturity date and (ii) with respect to notice of the date to which the maturity date has been rescheduled, the business day immediately following the final observation date as postponed.

In the event that the securities are subject to early redemption, the issuer shall, (i) on the business day following the applicable redemption determination date, give notice of the early redemption and the early redemption payment, including specifying the payment date of the amount due upon the early redemption, (x) to each registered holder of the securities by mailing notice of such early redemption by first class mail, postage prepaid, to such registered holder's last address as it shall appear upon the registry books, (y) to the trustee by facsimile confirmed by mailing such notice to the trustee by first class mail, postage prepaid, at its New York office and (z) to the depository by telephone or facsimile confirmed by mailing such notice to the depository by first class mail, postage prepaid, and (ii) on or prior to the early redemption date, deliver the aggregate cash amount due with respect to the securities to the trustee for delivery to the depository, as holder of the securities. Any notice that is mailed to a registered holder of the securities in the manner herein provided shall be conclusively presumed to have been duly given to such registered holder, whether or not such registered holder receives the notice. This notice shall be given by the issuer or, at the issuer's request, by the trustee in the name and at the expense of the issuer, with any such request to be accompanied by a copy of the notice to be given.

The issuer shall, or shall cause the calculation agent to, (i) provide written notice to the trustee, on which notice the trustee may conclusively rely, and to the depository of the amount of cash to be delivered as monthly coupon with respect to each security on or prior to 10:30 a.m. (New York City time) on the business day preceding each coupon payment date, and (ii) deliver the aggregate cash amount due with respect to the monthly coupon to the trustee for delivery to the

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depository, as holder of the securities, on the applicable coupon payment date.

The issuer shall, or shall cause the calculation agent to, (i) provide written notice to the trustee, on which notice the trustee may conclusively rely, and to the depository of the amount of cash to be delivered with respect to each stated principal amount of the securities, on or prior to 10:30 a.m. (New York City time) on the business day preceding the maturity date, and (ii) deliver the aggregate cash amount due with respect to the securities to the trustee for delivery to the depository, as holder of the securities, on the maturity date.

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Principal at Risk Securities

Additional Information About the Securities

Additional Information:

Minimum ticketing size: \$1,000 / 1 security

Prospective investors should note that the discussion under the section called “United States Federal Taxation” in the accompanying product supplement does not apply to the securities issued under this document and is superseded by the following discussion.

Tax considerations:

The following is a general discussion of the material U.S. federal income tax consequences and certain estate tax consequences of the ownership and disposition of the securities. This discussion applies only to investors in the securities who:

- purchase the securities in the original offering; and