

Pricing Supplement dated 13 October 2014

**Morgan Stanley**

Issue of EUR 16,000,000 Fixed Rate Callable Notes due 2044

under the

**Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates**

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended, including by Directive 2010/73/EU (together, the "**Prospective Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Warning: Neither this Pricing Supplement nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "**Prospectus Directive**"), and the Pricing Supplement and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive in relation to any Notes be offered and sold under hereby.

**THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.**

**PART A – CONTRACTUAL TERMS**

THE NOTES DESCRIBED HEREIN, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER IS NOT REGISTERED AND WILL NOT REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED.

THE NOTES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE OFFERING CIRCULAR DATED 18 AUGUST 2014. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

## THE NOTES ARE NOT RATED.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the English Law Notes set forth in the Offering Circular dated 18 August 2014 and the supplemental Offering Circular dated 29 September 2014 (together, the "**Offering Circular**"). This Pricing Supplement must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA. The Offering Circular has also been published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### Information Concerning Investment Risk

**Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. In particular, Noteholders and prospective purchasers should be aware that the Notes are callable at Par by the Issuer on the Optional Redemption Date as defined below.**

**Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in these Notes. Please see the Offering Circular together with the Pricing Supplement for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:**

**Capital protection at maturity:** Capital protection is provided at maturity only. If the Securities are sold prior to maturity, or redeemed by the Issuer for reasons stated in the Offering Circular, this document and the Pricing Supplement (or if there is a change in tax law), the proceeds may be less than the initial investment.

**Credit Risk:** Investors are exposed to the credit risk of the Issuer. The Notes are essentially a loan to the Issuer with a repayment that the Issuer promises to pay to you at maturity. There is the risk, however, that the Issuer may not be able to fulfil its promise to you. If any companies in the Morgan Stanley group incur losses with respect to any of their activities, this may have a negative impact on the financial condition of the Issuer. You may lose all or part of your investment if the Issuer is unable to pay the coupons (if any) or the redemption amount and/or goes into liquidation. No assets of the Issuer are segregated and specifically set aside in order to pay the holders of the Notes in the event of liquidation of the Issuer, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer.

**Liquidity Risk:** Any secondary market in the Notes made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder.

**Exit Risk:** Any secondary market price of the Notes will depend on many factors, including interest rates, time remaining to maturity and the creditworthiness of the Issuer. The secondary market price may be lower than the market value of the issued Notes as at the Issue Date to take into account amounts paid distributors and other intermediaries relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, the holder may receive an amount in the secondary market which may be less than the then intrinsic market value of the Note and which may also be less than the amount the holder would have received had the holder held the Note through to maturity.

**Potential Conflict of Interest:** The Determination Agent (MSI plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the Notes. Determinations made by the Determination Agent may affect the amount payable to holders pursuant to the terms of the Securities.

In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes and (iii) in accordance with the terms set out in Annex 1.

**Tax Considerations for Non-US Holders:** A Non-U.S. holder will be subject to U.S. withholding tax unless the beneficial owner of the note (or a financial institution holding the note on behalf of the beneficial owner) furnishes the appropriate Form W-8BEN, on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person. If withholding or deduction of taxes is required by law, payments on the notes will be made net of applicable withholding taxes, and Morgan Stanley will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.

Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

**GENERAL**

- |     |       |  |  |
|-----|-------|--|--|
| 1.  | (i)   | Issuer:                                | Morgan Stanley   |
|     | (ii)  | Guarantor:                             | Not Applicable   |
| 2.  | (i)   | Series Number:                         | 8438   |
|     | (ii)  | Tranche Number:                        | 1  |
| 3.  |       | Specified Currency or Currencies:      | Euro (“EUR”)   |
| 4.  |       | Aggregate Nominal Amount of the Notes: |  |
|     | (i)   | Series:                                | EUR 16,000,000   |
|     | (ii)  | Tranche:                               | EUR 16,000,000   |
| 5.  |       | Issue Price                            | 100 per cent. of par per Note  |
| 6.  | (i)   | Specified Denominations:               | EUR 100,000  |
|     | (ii)  | Calculation Amount (‘Par’):            | EUR 100,000  |
| 7.  | (i)   | Issue Date:                            | 14 October 2014  |
|     | (ii)  | Trade Date:                            | 7 October 2014   |
|     | (iii) | Interest Commencement Date             | Issue Date   |
|     | (iv)  | Strike Date:                           | Not Applicable   |
|     | (v)   | Determination Date:                    | Not Applicable   |
| 8.  |       | Maturity Date:                         | 14 October 2044, subject to adjustment in accordance with the Following Business Day Convention. |
| 9.  |       | Interest Basis:                        | Fixed Rate Interest. See item 15 below   |
| 10. |       | Redemption/Payment Basis:              | Redemption at par  |
| 11. |       | Change of Interest or                  | Not Applicable   |

Redemption/Payment Basis:

- |       |  |                       |
|-------|--|-----------------------|
| 12.   | Put/Call Options/Autocallable Early Redemption:                  | Early                 |
| (i)   | Redemption at the Option of the Issuer:<br><br>(Condition 20.5)  | Applicable            |
| (ii)  | Redemption at the Option of Noteholders:<br><br>(Condition 20.7) | Not Applicable        |
| (iii) | Autocallable Early Redemption:<br><br>(Condition 18)             | Not Applicable        |
| (iv)  | Other put/call options:  | Not Applicable        |
| 13.   | (i) Status of the Notes:<br><br>(Condition 4)                    | Condition 4.1 applies |
|       | (ii) Status of the Guarantee:                                    | Not Applicable        |
| 14.   | Method of distribution:  | Non-syndicated        |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-------|--|---|
| 15.   | Fixed Rate Note Provisions   | Applicable  |
| (i)   | Rate(s) of Interest:   | 3.02 per cent. per annum payable annually in arrear   |
| (ii)  | Interest Period:   | As set out in Condition 2.1 - "Unadjusted"  |
| (iii) | Interest Payment Date(s):  | Annually on 14 October from and including 14 October 2015 up to and including the Maturity Date adjusted in accordance with the Following Business Day Convention, and subject to the Issuer Call Option below. |
| (iv)  | Fixed Coupon Amount(s):  | EUR 3,020 per Calculation Amount  |
| (v)   | Broken Amount(s):  | Not Applicable  |
| (vi)  | Day Count Fraction:  | 30/360  |
| (vii) | Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable  |
| 16.   | Floating Rate Note Provisions  | Not Applicable  |
| 17.   | Zero Coupon Note Provisions<br><br>(Condition 7)                                 | Not Applicable  |
| 18.   | Dual Currency-Linked Note Interest Provisions                                    | Not Applicable  |

	(Condition 8)	
19.	Equity-Linked Interest Note Provisions:	Not Applicable
	(Condition 10)	
(A)	Single Share Notes / Share Basket Notes:	Not Applicable
(B)	Single Index Notes/Index Basket Notes:	Not Applicable
(C)	Single ETF Notes/ETF Basket Notes:	Not Applicable
20.	Commodity-Linked Interest Note Provisions	Not Applicable
21.	Currency-Linked Interest Note Provisions	Not Applicable
22.	Inflation-Linked Interest Note Provisions	Not Applicable
23.	Property-Linked Interest Note Provisions	Not Applicable
24.	Fund-Linked Interest Note Provisions	Not Applicable
25.	Credit-Linked Interest Note Provisions	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
26.	Call Option	Applicable
	(Condition 20.5)	
(i)	Optional Redemption Date(s):	14 October 2024 and 14 October 2034 or if not a TARGET Settlement Day the first following day which is a TARGET Settlement Day.
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	EUR100,000 per Calculation Amount
(iii)	Notice period:	The Notes are callable in whole by the Issuer on the Optional Redemption Dates with 10 Business Days notice to Noteholders, where 'Business Days' for such purpose means London and TARGET Settlement Days.
27.	Put Option	Not Applicable
	(Condition 20.7)	
28.	Autocallable Early Redemption	Not Applicable
	(Condition 18)	
29.	Final Redemption Amount of each Note	100% of Par
	(Condition 20.1)	
30.	Dual Currency Redemption Provisions	Not Applicable
	(Condition 8)	
31.	Equity-Linked Redemption Provisions:	Not Applicable

	(Condition 10)		
32.	Commodity-Linked Provisions	Redemption	Not Applicable
	(Condition 11)		
33.	Currency-Linked Redemption Provisions		Not Applicable
	(Condition 12)		
34.	Inflation-Linked Redemption Provisions		Not Applicable
	(Condition 13)		
35.	Credit-Linked Redemption Provisions		Not Applicable
	(Condition 16)		
36.	Property-Linked Redemption Provisions		Not Applicable
	(Condition 14)		
37.	Fund-Linked Redemption Provisions		Not Applicable
	(Condition 15)		
38.	Preference Share-Linked Redemption Provisions:		Not Applicable
	(Condition 16)		
39.	(i) Early Redemption Amount upon Event of Default		Redemption at Par
	Condition 25):		
	(ii) Early redemption amount payable upon an event described in Condition 10/11/12/13/15/16		As provided in Condition 10/11/12/13/15/16
	(iii) Early redemption amount upon early redemption		
	(Conditions 20.1, 20.3, 20.5, 20.10, 24, 26)		
	Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	An amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion.	
40.	Governing Law:		English law

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

41.	Form of Notes:  (Condition 3)	Registered Notes:  Global Note Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates on 30 days' notice in the limited circumstances described in the Global Note Certificate
42.	Record Date:	As set out in the Conditions
43.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	TARGET Settlement Days only
44.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
45.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
46.	Redenomination, renominatisation and reconventioning provisions:	The provisions in Condition 36 apply
47.	Restrictions on free transferability of the Notes:	None
48.	Inconvertibility Event Provisions:  (Condition 19)	Not Applicable
49.	Other Terms:	Not Applicable

## DISTRIBUTION

50.	(i)	If syndicated, names and addresses of Managers and underwriting commitments: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)	Not Applicable
	(ii)	Date of Subscription] Agreement:	Not Applicable
	(iii)	Stabilising Manager(s) (if any):	Not Applicable
51.		If non-syndicated, name and address of Dealer:	Morgan Stanley & Co. International plc 25 Cabot Square

London E14 4QA

- |     |                                  |                |
|-----|----------------------------------|----------------|
| 52. | U.S. Selling Restrictions:       | Regulation S   |
| 53. | Total commission and concession: | Not Applicable |
| 54. | Additional selling restrictions: | Not Applicable |

**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading on the Global Exchange Market of the Irish Stock Exchange the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: .....  
Duly authorised





**PART B – OTHER INFORMATION**

**1. LISTING**

Listing and admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market with effect from the Issue Date. No assurance can be given that such listing will be obtained or when such listing may take place.

Estimate of total expenses related to admission to trading: EUR 500

**2. RATINGS**

Ratings: The Notes will not be rated

**3. OPERATIONAL INFORMATION**

ISIN Code: XS1121198680

Common Code: 112119868

Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking *société anonyme* and the relevant identification number(s): Not Applicable

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): As per the Conditions

Names and addresses of additional Paying Agent(s) (if any): As per the Conditions

