

Final Terms dated 17 December 2015

MORGAN STANLEY B.V.

Issue of GBP 2,500,000 ("Tranche 4") to be consolidated with GBP 12,000,000 ("Tranche 1"), GBP 1,000,000 ("Tranche 2") and GBP 500,000 ("Tranche 3") (Tranche 1, Tranche 2 and Tranche 3 together the "Existing Notes") Preference Share-Linked Notes due 9 September 2021 linked to Sienna Finance UK Limited Preference Shares Guaranteed by Morgan Stanley

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

PART A – CONTRACTUAL TERMS

This document constitutes Final Terms 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 Notes set forth in the Base Prospectus dated 16 December 2014 (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 15 December 2015 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, save in respect of the Terms and Conditions of the Notes which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. However, a summary of the Issue is annexed to these Final Terms. Copies of the Base Prospectus and the Original Base Prospectus are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA and on the Issuers' website at www.morganstanleyiq.eu and copies of the Base Prospectus and the Original Base Prospectus and these Final Terms are available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

1. (i) Series Number: EU302
- (ii) Series designation: Series A
- (iii) Tranche Number: 4
2. Specified Currency or Currencies: Pound Sterling ("**GBP**")
3. Aggregate Nominal Amount of the Notes:
 - (i) Series: GBP 16,000,000
 - (ii) Tranche: Tranche 1: GBP 12,000,000
Tranche 2: GBP 1,000,000
Tranche 3: GBP 500,000
Tranche 4: GBP 2,500,000
4. Issue Price: 100 per cent. of par per Note
5. (i) Specified Denominations (Par): GBP 1,000 with integral multiples of GBP 1.00 in excess thereof
- (ii) Calculation Amount: GBP 1.00
6. (i) Issue Date: Tranche 1: 9 September 2015

- Tranche 2: 29 September 2015
- Tranche 3: 20 November 2015
- Tranche 4: 21 December 2015
- (ii) Trade Date: 25 August 2015
- (iii) Determination Date: Not Applicable
7. Maturity Date: 9 September 2021
8. No Underlying Determination Event Maturity Date: 9 September 2021
9. Number of Business Days: Five Business Days following the Final Valuation Date
10. Put/Call Options:
- (i) Redemption at the option of the Issuer: Not Applicable
(General Condition 15.5)
- (ii) Redemption at the option of the Noteholders: Not Applicable
(General Condition 15.7)
11. Method of distribution: Non-syndicated
12. Interest: No interest is payable in respect of the Notes.

PROVISIONS RELATING TO REDEMPTION

13. **Call Option** Not Applicable
(General Condition 15.5)
14. **Put Option** Not Applicable
(General Condition 15.7)
15. **Linked Redemption Provisions: Preference Share-Linked Redemption Notes**
(General Condition 14)
- (i) Preference Share: Series 392 issued by the Preference Share Issuer on 8 September 2015
- (ii) Preference Share Issuer: Sienna Finance UK Limited

- (iii) Determination Agent responsible for calculating the Final Redemption Amount: Morgan Stanley & Co. International plc
- (iv) Valuation Time: 4.30 pm (London time)
- (v) Additional Disruption Events: Change in Law, Hedging Disruption, Insolvency Filing and Increased Cost of Hedging shall apply
16. **Linked Redemption Provisions: Final Redemption Amount**
- (General Condition 15 and Section 6 of the Additional Conditions)
- (i) Final Redemption Amount: The Final Redemption Amount in respect of each Note is an amount per Calculation Amount in the Specified Currency calculated by the Determination Agent equal to:
- $$\text{Calculation Amount} \times \text{Participation Rate} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{initial}}}$$
- (ii) Final Valuation Date: The day falling five Business Days following the Preference Share Determination Date
- (iii) Participation Rate: 100 per cent.
- (iv) Underlying Determination Event: Not Applicable:
- Preference Share Determination Date: 25 August 2021
17. **Early Redemption Amount upon Event of Default (General Condition 20):** Qualified Financial Institution Determination. The Determination Agent will determine the amount a Qualified Financial Institution would charge to assume all of the Issuer's payment and other obligations with respect to such Notes as if no such Event of Default had occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Noteholder with respect to the Notes
18. **Inconvertibility Event Provisions:** Not Applicable
- (General Condition 32)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: Uncertificated Notes:

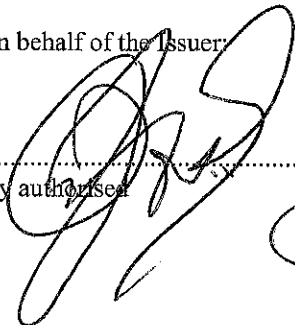
(General Condition 3)

20. Additional Business Centre(s) or other special provisions relating to Payment Dates: Not Applicable
21. Record Date: As set out in the General Conditions
22. Redenomination, renominatisation and reconventioning provisions: The provisions in General Condition 31 (*Redenomination, Renominatisation and Reconventioning*) apply
23. **Taxation:**
- (i) General Condition 19.1: "Additional Amounts" is Not Applicable
- (ii) General Condition 19.3: Implementation of Financial Transaction Tax Event is Applicable

DISTRIBUTION

24. (i) If syndicated, names and addresses of Managers: Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
25. If non-syndicated, name and address of Dealer: Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA
26. Non-exempt offer: Not Applicable
27. Total commission and concession: No fees will be paid by the Issuer or Morgan Stanley & Co. International plc, directly or indirectly, in connection with any advised sale of Notes.

Signed on behalf of the Issuer:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

TMF Management B.V.
Managing Director

By:
Duly authorised

A smaller, more compact handwritten signature in black ink, featuring a prominent horizontal stroke and a few smaller loops above it.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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 listing and/or trading on Irish Stock Exchange's Regulated Market with effect from the Issue Date.

No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by the Issue Date. The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.

The Existing Notes have already been listed and admitted to trading.

Last day of Trading: Final Valuation Date

2. RATINGS

Ratings: The Notes will not be rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

"Save as discussed in "*Subscription and Sale*" of the Base Prospectus dated 16 December 2013, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: Not Applicable
- (ii) Net proceeds:
 - Tranche 1: GBP 12,000,000
 - Tranche 2: GBP 1,000,000
 - Tranche 3: GBP 500,000
 - Tranche 4: GBP 2,500,000
- (iii) Estimated total expenses: Not Applicable

5. PERFORMANCE OF PREFERENCE SHARE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

The Notes relate to the Series 392 preference shares of Sienna UK.

The Sienna UK Preference Share Value will be published on each Business Day on www.morganstanleyiq.co.uk.

The Final Redemption Amount payable on the Notes is linked to the performance of the Preference Share and Noteholders may not receive the amount initially invested, and may receive a significantly lesser amount / subject to the minimum amount *specified*.

The market price or value of the Notes at any time is expected to be affected by changes in the value of the Preference Shares to which the Notes are linked.

The Issuer does not intend to provide post-issuance information.

6. OPERATIONAL INFORMATION

ISIN Code: GB00BYNQQK47

Sedol: BYNQQK4

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): Not Applicable. The Notes are issued in uncertificated form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted and such other regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act 2006 as are applicable to the Euroclear Registrar).

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): Not Applicable (Computershare Investor Services (Guernsey) Limited) shall act as paying agent in respect of the Notes (the “Euroclear Registrar”).

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No

7. TERMS AND CONDITIONS OF THE OFFER

Offer Price: Issue Price

Conditions to which the offer is subject: Not Applicable

Description of the application process: Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limited for paying up and delivering the Notes: Not Applicable

Manner in and date on which results of the offer are to be made public: Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: None

8. **PLACING AND UNDERWRITING**

Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place: Not Applicable

Name and address of any paying agents and depository agents in each country: Not Applicable

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" agreements. Where not all of the issue is underwritten, a statement of the portion not covered: Not Applicable

9. **OTHER MARKETS**

All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading: None

ANNEX

ISSUE-SPECIFIC SUMMARY OF THE NOTES

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and warnings		
A.1	Introduction and warnings:	This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the securities should be based on consideration of this Base Prospectus as a whole by the investor. Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes.
A.2	Consent:	
Section B – Issuer and Guarantor		
B.1	Legal name and commercial name of the Issuer:	Morgan Stanley B.V. ("MSBV")
B.2	Domicile and legal form of the Issuer, the	MSBV was incorporated as a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) under the laws of The Netherlands. MSBV is registered at the commercial register of the

	legislation under which the Issuer operates and its country of incorporation:	Chamber of Commerce and Industries (<i>Kamer van Koophandel</i>) for Amsterdam. It has its corporate seat at Amsterdam, The Netherlands and is subject to the laws of The Netherlands.
B.4b	Trends:	The business of Morgan Stanley, the ultimate holding company of MSBV, in the past have been, and in the future may continue to be, materially affected by many factors, including the effect of economic and political conditions and geopolitical events; the effect of market conditions, particularly in the global equity, fixed income, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and commercial real estate markets; the impact of current, pending and future legislation (including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the " Dodd-Frank Act ")), regulation (including capital, leverage and liquidity requirements), policies (including fiscal and monetary) and legal and regulatory actions in the United States of America ("U.S.") and worldwide; the level and volatility of equity, fixed income, and commodity prices, interest rates, currency values and other market indices; the availability and cost of both credit and capital as well as the credit ratings assigned to Morgan Stanley's unsecured short-term and long-term debt; investor, consumer and business sentiment and confidence in the financial markets; the performance of Morgan Stanley's acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements, (including with Mitsubishi, UFJ Financial Group, Inc. (" MUFG ")); Morgan Stanley's reputation; inflation, natural disasters and acts of war or terrorism; the actions and initiatives of current and potential competitors as well as governments, regulators and self-regulatory organizations; the effectiveness of Morgan Stanley's risk management policies; and technological changes and risks, including cybersecurity risks; or a combination of these or other factors. In addition, legislative, legal and regulatory developments related to Morgan Stanley's businesses are likely to increase costs, thereby affecting results of operations. These factors also may have an adverse impact on Morgan Stanley's ability to achieve its strategic objectives.
B.5	The group and the Issuer's position within the group:	MSBV has no subsidiaries. It is ultimately controlled by Morgan Stanley.
B.9	Profit forecast:	Not Applicable. MSBV does not provide profit forecasts.
B.10	Audit report qualifications:	Not Applicable. There are no qualifications in the auditor's reports: on the financial statements of MSBV for the years ended 31 December 2013 and 31 December 2014.

B.12	Selected historical key financial information:	Selected key financial information relating to MSBV:		
		Statement of financial position (<i>in EUR '000</i>)	31 December 2013	31 December 2014
		<i>Total assets</i>	8,170,610	8,081,802
		<i>Total liabilities and equity</i>	8,170,610	8,081,802
		Statement of comprehensive income (<i>in EUR '000</i>)	31 December 2013	31 December 2014
		<i>Net gains/ (losses) on financial instruments classified as held for trading</i>	509,271	185,570
		<i>Net gains/ (losses) on financial instruments designated at fair value through profit or loss</i>	(509,271)	(185,570)
		<i>Profit before income tax</i>	6,094	6,658
		<i>Profit and total comprehensive income for the year/period</i>	4,576	4,993
		<p>There has been no material adverse change in the prospects of MSBV since 31 December 2014, the date of the latest published annual audited accounts of MSBV, nor any significant change in the financial or trading position of MSBV since 31 December 2014, the date of the latest published reviewed interim financial statements of MSBV.</p>		
B.13	Recent events materially relevant to evaluation of solvency of the Issuer:	Not Applicable. MSBV considers that no event particular to itself and which is to a material extent relevant to the evaluation of its solvency has taken place since the publication of its last annual financial statements.		
B.14	Dependence upon other entities within the group:	See Element B.5 for the group and the Issuer's position within the group. MSBV is ultimately controlled by Morgan Stanley.		
B.15	The Issuer's principal activities:	MSBV's principal activity is the issuance of financial instruments and the hedging of obligations arising pursuant to such issuances.		
B.16	Controlling persons:	MSBV is ultimately controlled by Morgan Stanley.		
B.17	Credit ratings:	Not Applicable. MSBV is not rated. The Notes are not rated.		

		A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
B.18	Nature and scope of the Guarantee:	The payment obligations of MSBV in respect of the Notes are unconditionally and irrevocably guaranteed by Morgan Stanley pursuant to a guarantee dated as of 17 July 2013 and governed by New York law. The Guarantor's obligations under the Guarantee constitute direct and general obligations of the Guarantor which rank <i>pari passu</i> among themselves.
B.19	Information about the Guarantor:	Please see below in relation to the Guarantor.
B.19 (B.1)	Legal name and commercial name of the Guarantor:	Morgan Stanley
B.19 (B.2)	Domicile and legal form of the Guarantor, the legislation under which the Guarantor operates and its country of incorporation:	Morgan Stanley was incorporated under the General Corporation Law of the State of Delaware. As a financial holding company, it is regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. Morgan Stanley has its registered office in Delaware, U.S.A.
B.19 (B.4b)	Trends:	The business of Morgan Stanley in the past have been, and in the future may continue to be, materially affected by many factors, including the effect of economic and political conditions and geopolitical events; the effect of market conditions, particularly in the global equity, fixed income, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and commercial real estate markets; the impact of current, pending and future legislation (including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the " Dodd-Frank Act ")), regulation (including capital, leverage and liquidity requirements), policies (including fiscal and monetary) and legal and regulatory actions in the United States of America ("U.S.") and worldwide; the level and volatility of equity, fixed income, and commodity prices, interest rates, currency values and other market indices; the availability and cost of both credit and capital as well as the credit ratings assigned to Morgan Stanley's unsecured short-term and long-term debt; investor, consumer and business sentiment and confidence in the financial markets; the performance of Morgan Stanley's acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements (including with Mitsubishi UFJ Financial Group, Inc. (" MUFG ")); Morgan Stanley's reputation; inflation, natural disasters and acts of war or terrorism; the actions and initiatives of current and potential competitors as well as governments, regulators and self-regulatory organizations; the effectiveness of Morgan Stanley's risk management policies; technological changes and risks, including cybersecurity risks; or a combination of these or other factors. In addition, legislative, legal and regulatory developments related to Morgan Stanley's businesses are likely to increase costs, thereby affecting results of

		operations. These factors also may have an adverse impact on Morgan Stanley's ability to achieve its strategic objectives.																					
B.19 (B.5)	The group and the Guarantor's position within the group:	Morgan Stanley is the ultimate parent undertaking of the group comprising Morgan Stanley and its consolidated subsidiaries (the "Morgan Stanley Group").																					
B.19 (B.9)	Profit forecast:	Not applicable. Morgan Stanley does not provide profit forecasts.																					
B.19 (B.10)	Audit report qualifications:	Not Applicable. There are no qualifications in the auditor's reports on the financial statements of Morgan Stanley for the years ended 31 December 2013 and 31 December 2014, as contained in Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2014.																					
B.19 (B.12)	Selected historical key financial information:	<p>Selected key financial information relating to Morgan Stanley:</p> <table border="1"> <thead> <tr> <th>Balance Sheet (\$ in millions)</th> <th>31 December 2013</th> <th>31 December 2014</th> </tr> </thead> <tbody> <tr> <td><i>Total assets</i></td> <td>832,702</td> <td>801,510</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td>832,702</td> <td>801,510</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Consolidated Statements of Income (\$ in millions)</th> <th>31 December 2013</th> <th>31 December 2014</th> </tr> </thead> <tbody> <tr> <td><i>Net revenues</i></td> <td>32,493</td> <td>34,275</td> </tr> <tr> <td><i>Income from continuing operations before income taxes</i></td> <td>4,558</td> <td>3,591</td> </tr> <tr> <td><i>Net income</i></td> <td>3,613</td> <td>3,667</td> </tr> </tbody> </table>	Balance Sheet (\$ in millions)	31 December 2013	31 December 2014	<i>Total assets</i>	832,702	801,510	<i>Total liabilities and equity</i>	832,702	801,510	Consolidated Statements of Income (\$ in millions)	31 December 2013	31 December 2014	<i>Net revenues</i>	32,493	34,275	<i>Income from continuing operations before income taxes</i>	4,558	3,591	<i>Net income</i>	3,613	3,667
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		There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2014, the date of the latest published annual audited accounts of Morgan Stanley, nor any significant change in the financial or trading position of Morgan Stanley since 31 December 2014, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.																					
B.19 (B.13)	Recent events materially relevant to evaluation of solvency of the Guarantor:	Not Applicable. Morgan Stanley considers that no event particular to itself which is to a material extent relevant to the evaluation of its solvency has taken place since the publication of its last annual financial statements.																					
B.19 (B.14)	Dependence upon other entities within the group:	<p>See Element B.19 (B.5) above for the group and the Guarantor's position within Morgan Stanley Group.</p> <p>Morgan Stanley is a holding company and depends on payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations.</p>																					
B.19	The Guarantor's principal	Morgan Stanley, a financial holding company, is a global financial services firm that, through its subsidiaries and affiliates, provides a wide																					

(B.15)	activities:	variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. It maintains significant market positions in each of its business segments — Institutional Securities, Wealth Management and Investment Management.
B.19 (B.16)	Controlling Persons:	Not applicable; Morgan Stanley is a publicly-held company listed on the New York Stock Exchange and not directly or indirectly owned or controlled by any shareholder or affiliated group of shareholders.
B.19 (B.17)	Credit Rating:	Morgan Stanley's short-term and long-term debt has been respectively rated (i) R-1 (middle) and A (high), with a stable outlook, by Dominion Bond Rating Service Limited. ("DBRS"), (ii) F1 and A, with a stable outlook, by Fitch Ratings, Ltd. ("Fitch"), (iii) A3 and Baa2, with a stable outlook, by Moody's Investors Service, Inc. ("Moody's"), (iv) a-1 and A, with a negative outlook, by Ratings and Investment Information, Inc. ("R&I") and (v) A-2 and A-, with a negative outlook, by Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Ratings Services ("S&P").
Section C - The Notes		
C.1	Type and class of the Notes and ISIN number:	ISIN: GB00BYNQQK47 The Notes are not Notes in respect of which physical settlement may apply or may be elected to apply (" Cash Settlement Notes ").
		Redemption amounts payable in respect of the Notes are linked to the value or performance of preference shares (" Preference-Share Linked Notes ").
C.2	Currency of Issue:	Notes are denominated in Pounds Sterling (GBP).
C.5	Restrictions on free transferability:	The Notes cannot be offered or sold in the U.S. or to U.S. persons, nor held in the U.S. or by U.S. Persons at any time. The Notes may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (" ERISA "), any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended, or any entity whose underlying assets include "plan assets" within the meaning of Section 3(42) of ERISA by reason of any such employee benefit plan's account's or plan's investment therein.
		THE NOTES 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 IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED 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).

C.8	<p>The Rights attached to the Notes, Ranking and Limitations to those Rights:</p>	<p>Rights attached to the Notes:</p> <p><i>Interest:</i> Not Applicable, the Notes do not bear any interest.</p> <p><i>Redemption:</i> See Element C.9 below for the redemption amount payable on the Maturity Date.</p> <p><i>Specified Denomination of the Notes:</i> The Notes are issued in Specified Denominations of GBP 1,000 and multiples of GBP 1.00 in excess thereof.</p> <p><i>Governing Law:</i> The Notes will be governed by and construed in accordance with English law. The Guarantee will be governed by and construed in accordance with New York Law.</p> <p><i>Events of Default:</i> If an Event of Default occurs, the Notes may be redeemed prior to their Maturity Date at the Early Redemption Amount if the Noteholders of not less than 25% in aggregate principal amount of the Notes give written notice to the Issuer declaring the Notes to be immediately due and payable.</p>
		<p>The Early Redemption Amount will be determined by the Determination Agent to be the amount a qualified financial institution (being a financial institution organised under the laws of any jurisdiction in the USA, European Union or Japan and which satisfies certain credit ratings requirements, which the Determination Agent selects for this purposes at the time when the Early Redemption Amount is to be determined) would charge to assume all of the Issuer's obligations in respect of the Notes or to undertake obligations that would have the effect of preserving the economic equivalent of any payments by the Issuer to the Noteholder with respect to the Notes.</p> <p>The Events of Default applicable to the Notes are as follows:</p> <ol style="list-style-type: none"> (1) non-payment by the Issuer or the Guarantor of any amount of principal (within 7 days of the due date) or any amount of interest (within 30 days of the due date) in respect of the Notes; (2) default in the performance or observance by the Issuer or the Guarantor in respect of any of their other (non-payment) obligations under or in respect of the Notes and such default remains unremedied for 60 days (after written notice to the Issuer by Noteholders of not less than 25% in aggregate principal amount of the relevant Series); and (3) the Issuer or the Guarantor becomes insolvent or is unable to pay its debts as they fall due, or an administrator or liquidator is appointed in respect of the Issuer or the Guarantor or the whole or a substantial part of its undertaking, assets and revenues (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), or the Issuer or the Guarantor takes any action for a composition with or for the benefit of its creditors generally, or an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or the Guarantor (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent) and

		in the case of the Guarantor such order or effective resolution has remained in force and has not been rescinded, revoked or set aside for sixty days after the date on which such order is made or effective resolution is passed.
		Status of the Notes: The Notes constitute direct and general obligations of the Issuer ranking <i>pari passu</i> among themselves.
		Limitations to the rights: Prescription. Claims for principal and interest on redemption in respect of the Notes shall become void unless the relevant note certificates are surrendered for payment within ten years of the due date for payment.
		Early Redemption. Call Option: Not Applicable
		The Notes may be redeemed early (in whole but not in part) if the preference shares to which the Notes are linked are redeemed early in accordance with their terms.
C.9	Interest, Redemption and Representation:	See Element C.8 above. See further Element C.10 below.
		Maturity Date: 9 September 2021 or, if later, the day falling the day falling five Business Days following the Final Valuation Date (as set out below). Arrangements for the amortisation of the loan including repayment procedures: The Notes will be redeemed on the Maturity Date at an amount per Calculation Amount determined by the Determination Agent as being the product of (i) the Calculation Amount, (ii) the Participation Rate (being 100%) and (iii) the value which is (A) the fair market value of the Relevant Underlying (as determined by the Determination Agent) as of the Final Valuation Date <i>divided by</i> (B) the fair market value of the Relevant Underlying (as determined by the Determination Agent) as of the Initial Valuation Date. For these purposes: "Final Valuation Date" means the day falling five Business Days following the Preference Share Determination Date; "Initial Valuation Date" means the Issue Date or, if such date is not a Business Day, the next following Business Day; and
		"Preference Share Determination Date" means 25 August 2021 or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Relevant Underlying falling on or about such day is to be delayed in accordance with the terms and conditions of the Relevant Underlying by reason of a disruption or adjustment event, the Preference Share Determination Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

		<p>Yield: Not Applicable. The Notes are not Fixed Rate Notes.</p> <p>Repayment procedure: Computershare Investor Services (Guernsey) limited or any successor or transferee (the "Euroclear Registrar") shall pay or cause to be paid payments of principal in respect of Uncertificated Notes to the relevant noteholder's cash account in accordance with the rules of the operator of the CREST system. All payments will be made subject to the fiscal laws in force in the place of presentation and payment.</p> <p>Representation: Not applicable. No representatives of debt security holders are appointed.</p>
C.10	Derivative component in interest payment (explanation as to how the value of the investment is affected by the value of the Relevant Underlying, especially under circumstances where the risks are most evident):	Not Applicable. The Notes do not have a derivative component in the interest payment.
C.11	Admission to Trading:	Application has been made for Notes to be listed and or admitted to trading on the Irish Stock Exchange's Regulated Market.
C.15	How the value of the investment is affected by the Relevant Underlying (unless the securities have a denomination of at least EUR100,000):	<p>The market price or value of Notes at any time is expected to be affected by changes in the value of the Relevant Underlying to which the Notes are linked.</p> <p>The redemption amount payable on the Notes is dependent on the value or performance of the Relevant Underlying reaching a threshold or barrier and a small increase or decrease in the value or performance of the Relevant Underlying near to the threshold or barrier may lead to a significant increase or decrease in the return of the Notes.</p> <p>The redemption amount payable on the Notes is linked to the value or performance of the Relevant Underlying as of one or more predefined dates and, irrespective of the level of the Relevant Underlying between these dates, the values or performance of the Relevant Underlying on these dates will affect the value of the Notes more than any other factor.</p> <p>The market price or value of the Notes at any time is expected to be affected by changes in the value of the Relevant Underlying to which the Notes are linked.</p>
C.16	Expiration/ maturity date of the derivative securities – the exercise	Unless previously redeemed, each series of Notes will be redeemed on the applicable Maturity Date at their Final Redemption Amount.

	date/final reference date:	
C.17	Settlement procedure of the derivative securities:	<p>The Notes are Cash Settlement Notes and will be redeemed by the payment of the Final Redemption Amount.</p> <p>On the relevant date for redemption of the Notes, the Issuer shall pay the relevant redemption amount per Calculation Amount to the Noteholders through the relevant clearing systems, and such amounts shall be credited to the relevant Noteholders' respective accounts held either with such clearing systems or with a financial intermediary that is a member of such clearing systems.</p>
C.18	How the return on the derivative securities takes place:	<p>Notes are not ordinary debt securities and the redemption amount is linked to the performance of the share(s) identified as the Relevant Underlying.</p> <p>Relevant Underlying: Series 392 Preference Shares issued by Sienna Finance UK Limited on 8 September 2015. See also Element C.15 above.</p>
C.19	Exercise price/final reference price of the underlying:	<p>The Final Reference Value for the purpose of determining the performance of a Relevant Underlying will be determined by the Determination Agent by reference to the price of a preference share.</p>
C.20	Type of underlying and where information on the underlying can be found:	<p>"Relevant Underlying" means Series 392 Preference Shares issued by Sienna Finance UK Limited.</p> <p>The Notes are Preference-Share Linked Notes.</p> <p>Information about the past and the further performance of the Relevant Underlying and its volatility can be obtained from: www.morganstanleyiq.co.uk.</p>
C.21	Indication of market where securities will be traded and for which prospectus has been published:	Not Applicable.

		Section D – Risks
D.2	Key Risks Specific to the Issuers and the Guarantor:	<p>The following key risks affect Morgan Stanley and, since Morgan Stanley is the ultimate holding company of MSBV, also impact MSBV:</p> <p>Liquidity and funding risk: Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend significantly on its credit ratings, which may change. Further, Morgan Stanley is a holding company and depends on payments from its subsidiaries. As a result, there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions.</p>
		<p>Market risk: Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors. Morgan Stanley may experience declines in value of its financial instruments and other losses related to volatile and illiquid market conditions. Holding large and concentrated positions may expose Morgan Stanley to losses. In particular, Morgan Stanley has incurred, and may continue to incur, significant losses in the real estate. These factors may result in losses for a position or portfolio held by Morgan Stanley or its consolidated subsidiaries.</p>
		<p>Credit Risk: Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by another large financial institution could adversely affect financial markets generally. Such factors give rise to a risk that risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations.</p>
		<p>Operational Risk: Morgan Stanley is subject to the risk of financial or other loss, or potential damage to a firm's reputation, resulting from inadequate or failed internal processes, people, resources and systems or from external events (e.g. fraud, legal and compliance risks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and control groups (e.g. information technology and trade processing).</p>
		<p>Legal, Regulatory and Compliance Risk: Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss of reputation as a result of failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is subject to contractual and commercial risk such as the risk that a counterparty's performance obligations will be unenforceable. Further, in today's environment of rapid and possibly transformational regulatory change, Morgan Stanley also views regulatory change as a component of legal, regulatory and compliance risk.</p>
		<p>Risk Management: Morgan Stanley's hedging strategies and other risk</p>

		management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk.
		Competitive Environment Risk: Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further automated trading markets may adversely affect Morgan Stanley's business (for example by putting downward pressure on trading commissions or comparable fees). Finally, Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.
		International Risk: Morgan Stanley is subject to numerous political, economic, legal, operational, franchise and other risks as a result of its international operations (including risks of possible nationalization, expropriation, price, capital or exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways.
		Acquisition and Joint Venture Risk: in relation to past and future acquisitions, Morgan Stanley may be unable to fully capture the expected value from acquisitions, joint ventures, minority stakes and strategic alliances.
		All material assets of MSBV are obligations of one or more companies in the Morgan Stanley group and MSBV's ability to perform its obligations is dependent upon such companies fulfilling their obligations to MSBV. Should such companies prospects be impaired, holders of securities issued by MSBV may also be exposed to a risk of loss.
D.3	Key Risks Specific to the Notes:	The securities are subject to the following risks:
		<ul style="list-style-type: none"> • 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.
		<ul style="list-style-type: none"> • Investors may lose all or a substantial portion of their investment if the value / performance of the Relevant Underlying does not move in the anticipated direction.
		<ul style="list-style-type: none"> • The terms of certain Notes differ from those of ordinary debt securities because the Notes may not pay interest and, on maturity, depending on the performance of the Relevant Underlying, may return less than the amount invested or nothing, or may return assets or securities of an issuer that is not affiliated with the Issuer, the value of which is less than the amount invested.
		<ul style="list-style-type: none"> • Any person intending to use the Notes as a hedge instrument should recognise that the Notes may not hedge exactly a

		Relevant Underlying or portfolio of which a Relevant Underlying forms a part.
		<ul style="list-style-type: none"> Secondary trading of the Notes may be limited. Further, if the Notes are traded via one or more electronic trading systems and these systems become partially or completely unavailable, this would effect the investor's ability to trade the Notes.
		<ul style="list-style-type: none"> Potential conflicts of interest may exist between the investor and the Determination Agent, who, under the terms of the Notes, may make such adjustments as it considers appropriate as a consequence of certain events affecting the Relevant Underlying, and in doing so, is entitled to exercise substantial discretion.
		<ul style="list-style-type: none"> Because the Global Note Certificates may be held by or on behalf of a clearing system investors will have to rely on such clearing system's procedures for transfer, payment and communication with the relevant Issuer.
		<ul style="list-style-type: none"> The terms and conditions applicable to the Notes permit defined majorities to bind all holders of the Notes, including those who did not attend and vote at the relevant meeting.
		<ul style="list-style-type: none"> The Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by the Issuer, (i) to whom a periodic fee may be payable and (ii) who may sell the Notes to investors at a price different from the price at which they purchase the Notes.
		<ul style="list-style-type: none"> Notes may be redeemed early if the Issuer or Guarantor is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes or such levies.
		<ul style="list-style-type: none"> If an event of default occurs in respect of the Issuer or the Guarantor, investor would have an unsecured claim against the Issuer or the Guarantor for the amount due on the early redemption of the Notes.
		<ul style="list-style-type: none"> An Issuer may amend the terms and condition of the Notes, the Guarantee and the deed of covenant dated 17 July 2013 (as amended or supplemented from time to time) in relation to, amongst others, the Notes, without Noteholder consent if, in its opinion, such amendments are not materially prejudicial to Noteholders
		<ul style="list-style-type: none"> The market price of Notes may be very volatile. Further, investors in Notes may receive no interest and payment or payment of principal or interest, if applicable, may occur at a different time or in a different currency than expected. The Relevant Underlying may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices. The timing of changes in a Relevant Underlying may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the

		change in the Relevant Underlying the greater the effect on yield.
		<ul style="list-style-type: none"> It is impossible to predict how the level of the Relevant Underlying will vary over time. The historical performance value (if any) of the Relevant Underlying does not indicate the future performance of the Relevant Underlying. Factors such as volatility, interest rates, remaining term of the Notes or exchange rates will influence the price investors will receive if an investor sells its Notes prior to maturity.
		<ul style="list-style-type: none"> The Issuer's and/or its affiliates' hedging costs tend to be higher the less liquidity the Relevant Underlying has or the greater the difference between the "buy" and "sell" prices for the Relevant Underlying or derivatives contracts referenced to the Relevant Underlying, and this may impact payments on the Notes.
		<ul style="list-style-type: none"> The issuer of the Relevant Underlying will not be an affiliate of the Issuer, but the Issuer its affiliates may presently or from time to time engage in business with such issuer of the Relevant Underlying.
		<ul style="list-style-type: none"> General exchange rate and exchange control risks, including the risk that exchange rates will affect an investment in the Notes, the risk of the Issuer's lack of any control over exchange rates and the risk that some currencies may become unavailable and of an alternative payment method used if the payment currency becomes unavailable.
		<ul style="list-style-type: none"> The Determination Agent may determine that a Disruption Event has occurred and such events can affect the Relevant Underlying and lead to adjustments and/or early redemption of the Notes.
		<ul style="list-style-type: none"> The value of the Preference Shares may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which Preference Shares are linked. The value of the Preference Share Linked Notes is dependent on the value of the Preference Shares, which will depend in part on the creditworthiness of Preference Share Issuer. If the Preference Shares become subject to redemption pursuant to the "underlying determination event" provisions contained in their terms and conditions, the Maturity Date of the Notes and thereby valuation of the Preference Shares, will be brought forward and fall earlier than would otherwise have been the case.
		An investment in the Notes bears the risk that the Issuer or the Guarantor is not able to fulfil its obligations in respect of such Notes at maturity or before maturity of the Notes. In certain circumstances holders may lose all or a substantial portion of their principal or investment.
D.6	Risk Warning:	<p>See Element D.3 above for the key risks that are specific to the Notes.</p> <p><i>WARNING: INVESTORS IN NOTES CONSTITUTING DERIVATIVE SECURITIES UNDER REGULATION EC/809/2004, AS AMENDED, MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT, OR PART OF IT.</i></p>

Section E – Offer		
E.2b	Reasons for the Offer and Use of Proceeds:	The net proceeds of each issue of Notes will be used by the relevant Issuer for general corporate purposes and/or in connection with hedging its obligations under the Notes.
E.3	Terms and Conditions of the Offer:	<i>Conditions, offer statistics, expected timetable and action required to apply for the offer</i> Not Applicable
		<i>Plan of distribution and allotment</i> Not Applicable
		<i>Pricing</i> Not Applicable
		<i>Placing and Underwriting</i> Not Applicable
E.4	Interests Material to the Issue:	Subject to potential conflicts between the investor and the Determination Agent when MSI plc and other affiliates or subsidiaries of Morgan Stanley carry out hedging activities or trades, each of Morgan Stanley, and MSBV and Morgan Stanley & Co International plc does not have interests material to the issue.
E.7	Estimated Expenses charged to the investor by the Issuer or the offeror:	Not applicable. There are no estimated expenses charged to the investor by the Issuer.