

## PRICING SUPPLEMENT

Pricing Supplement dated 22 September 2016

### Morgan Stanley Finance LLC

Issue of USD 10,000,000 Notes linked to an Index

Guaranteed by Morgan Stanley

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 "Prospectus 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 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 offered and sold under hereby.

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

### PART A – CONTRACTUAL TERMS

THE NOTES DESCRIBED HEREIN AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 1936, AS AMENDED.

THE NOTES DESCRIBED HEREIN AND 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 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 16 AUGUST 2016. 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.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. This Pricing Supplement must be read in conjunction with such Offering Circular dated 16 August 2016 (the "Offering

**Circular**). Full information on the Issuer, the Guarantor 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)).

## 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. The interest payable is linked to the performance of the Underlying Index (as defined herein). Given the highly specialised nature of these Notes, the Issuer and the Dealer consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underliers, are willing to take risks and can absorb the partial or complete loss of their initial investment. Consequently, if you are not an investor who falls within the description above, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

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 for a full detailed description of the Notes and in particular, please review the section of the Offering Circular entitled "*Risk Factors Relating to the Program Securities*". Investing in the Notes entails certain risks including, but not limited to, the following:

- **Adjustments by the Determination Agent:** The terms and conditions of the Notes will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Underliers or any relevant exchange(s) are affected by market disruption, adjustment events or circumstances affecting normal activities of the issuer of the Underliers or the relevant exchange(s).
- **Credit Risk:** Investors are exposed to the credit risk of the Issuer. The Notes are essentially a loan to the Issuer with a repayment amount linked to the performance of the Underlying 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 or the redemption amount and/or go into liquidation.
- **Principal Protection:** The principal amount is only protected at the scheduled Maturity Date. Potential investors run the risk that they may receive an amount which is significantly less than their initial investment if they sell back the Notes to the Dealer on the secondary market prior to the Maturity Date.
- **Exit Risk:** The secondary market price of the Notes will depend on many factors, including the value and volatility of the Underliers, the level of the Underliers at any time on any day and the time left until the maturity of the Notes, the dividend rate, 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 to 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 Notes and which may also be less than the amount the holder would have received had the holder held the Notes through to maturity.
- **Exchange Rate Risk and Exchange Control Risk:** An investment in a Note denominated in currencies other than the investor's home currency or the currency selected for payments entails significant risks including the possibility of significant changes in rates of exchange between its home currency (or the currency for payment) and the other relevant currencies, which could be highly volatile, and the possibility of the imposition or modification of exchange controls by the relevant governmental authorities. In addition, changes in exchange rates relating to any of the relevant currencies could result in a decrease in its effective yield and in the investor's loss of all or a substantial portion of the value of that Note. Governments have imposed from time to time, and may in the future impose, exchange controls that could also affect the availability of a relevant currency. Even if there are no actual exchange controls, it is possible that the applicable currency for any security would not be available when payments on that security are due.

- **Hedging Risk:** On or prior to and after the Trade Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Notes by taking positions in the Underliers, in option contracts on the Underliers or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underliers as part of their general businesses. Any of these activities could potentially affect the value of the Underliers including on any date on which the value of the Underliers will be determined, and accordingly, could significantly affect the payout to holders on the Notes.
- **Liquidity Risk:** The Dealer will make a secondary market in the Notes on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. The liquidity of the Notes reflects the liquidity of the Underliers and even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder.
- **No Shareholder Rights:** A holder of Notes will have no beneficial interest in or any voting rights and will not have the right to receive dividends or other distributions with respect to the Underliers.
- **Potential Conflict of Interest:** The Determination Agent (MSI plc) is the same entity as 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, including in the event of a market disruption may affect the amount payable to holders pursuant to the terms of the Notes.
- **Index Sponsor Risk:** The Index Sponsors are not affiliates of the Issuer or its affiliates and are not involved with this offering in any way. Consequently, the Issuer and its affiliates have no ability to control the actions of the Index Sponsors, including any actions that could trigger an adjustment to the terms of the Notes by the Determination Agent.

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.

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

1.	(i) Issuer:	Morgan Stanley Finance LLC
	(ii) Guarantor:	Morgan Stanley
2.	(i) Series Number:	H4170
	(ii) Tranche Number:	One
3.	Specified Currency or Currencies:	United States Dollar ("USD")
4.	Aggregate Nominal Amount of the Notes:	
	(i) Series:	USD 10,000,000
	(ii) Tranche:	USD 10,000,000
5.	Issue Price:	98.50 per cent. of par per Note
6.	(i) Specified Denominations:	USD 10,000,000 ("Par"), provided that the denomination cannot be split within one (1) year from the Issue Date.
	(ii) Calculation Amount ("Par"):	USD 10,000,000

7.	(i) Issue Date:	22 September 2016
	(ii) Trade Date:	9 September 2016
	(iii) Interest Commencement Date:	Not Applicable
	(iv) Strike Date:	Trade Date
	(v) Determination Date:	Final Valuation Date
8.	Maturity Date:	22 September 2036
9.	Interest Basis:	Not Applicable
10.	Redemption/Payment Basis:	Equity-Linked Redemption
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options/ Autocallable Early Redemption:	
	(i) Redemption at the Option of the Issuer:	Not Applicable
	(ii) Redemption at the Option of the Noteholders:	Not Applicable
	(iii) Autocallable Early Redemption:	Not Applicable
	(iii) Other put/call options:	Not Applicable
13.	(i) Status of the Notes:	As set out in Condition 4.1
	(ii) Status of the Guarantee:	As set out in Condition 4.2
14.	Method of distribution:	Non-syndicated

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

15.	Fixed Rate Note Provisions:	Not Applicable
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Dual Currency-Linked Note Interest Provisions:	Not Applicable
19.	Equity-Linked Interest Note Provisions:	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

**PROVISIONS RELATING TO REDEMPTION**

26.	Call Option:	Not Applicable
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27. Put Option: Not Applicable
28. Autocallable Early Redemption: Not Applicable
29. Final Redemption Amount of each Note: Equity Linked Redemption Amount specified below  
(Condition 21.1)
30. Dual Currency Redemption Provisions Not Applicable
31. Equity-Linked Redemption Provisions: Applicable
- (A) Single Share Notes: Not Applicable
- (B) Single Index Notes: Applicable
- (i) Whether the Notes relate to a single index or a basket of indices (each, an “Index”) and the identity of the Sponsor of an Index (each, an “Index Issuer”) Single Index Notes related to the following index (the “Underlying Index”):

Underlying Index	Bloomberg Code	Exchange	Related Exchange	Index Sponsor
Korea Stock Exchange KOSPI 200 Index	KOSPI2 Index	Korea Stock Exchange	None	Korea Stock Exchange

- (ii) Observation Date(s): Not Applicable
- (iii) Observation Period: Not Applicable
- (iv) Determination Date: 18 September 2036 (“Final Valuation Date”)
- (v) Determination Time: Not Applicable
- (vi) Determination Agent responsible for calculating the Final Redemption Amount: Morgan Stanley & Co. International plc
- (vii) Provisions for determining Final Redemption Amount: Unless previously redeemed, or purchased and cancelled, Cash Settlement shall apply and each Note (of the Specified Denomination) shall be redeemed in accordance with paragraph (i), or (ii) below, as is applicable:

- 1) If the Closing Level is higher than the Barrier Level, an amount in the Specified Currency equal to the following formula shall be paid to Noteholders on the Maturity Date in respect of each Note (of the Specified Denomination):

$$\text{Par} + 20 \times \text{Coupon}$$

- 2) If the Closing Level is equal to or lower than the Barrier Level, an amount in the Specified Currency equal to the following formula shall be paid to Noteholders on the Maturity Date in respect of each Note (of the Specified Denomination):

$$\text{Par} + \text{Max} [ ([20] \times \text{Coupon} - 0.1\%), 0 ]$$

Where:

“Barrier Level” means 77.193

“Closing Level” means in respect of the Final Valuation Date, the official closing level of the Index as published by the Index Sponsor on such date, as determined by the Calculation Agent.

“Coupon” means 4.75%

(viii)	Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted:	Not Applicable
(ix)	Weighting for Index:	Not Applicable
(x)	Additional Disruption Events:	Change in Law, Hedging Disruption and Increased Cost of Hedging shall apply.
(xi)	Business Day Convention:	Following Business Day Convention
(xii)	Additional Business Centre(s):	London
(xiii)	Other special terms and conditions:	
(C)	Single ETF Notes:	Not Applicable
32.	Commodity-Linked Redemption Provisions:	Not Applicable
33.	Currency-Linked Redemption Provisions:	Not Applicable
34.	Inflation-Linked Redemption Provisions:	Not Applicable
35.	Credit-Linked Redemption Provisions:	Not Applicable
36.	Property-Linked Redemption Provisions:	Not Applicable
37.	Fund-Linked Redemption Provisions:	Not Applicable
38.	Preference Share-Linked Redemption Provisions:	Not Applicable
39.	(i) Early Redemption Amount upon Event of Default (Condition 26):	Qualified Financial Institution Determination
	(ii) Early redemption amount payable upon an event described in Conditions 10.2(b) and 10.6(c):	As provided in Conditions 10.2(b) and 10.6(c) ( <i>Provisions Relating to Equity-Linked Notes</i> )
	(iii) Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons:  (Condition 21.3)	An amount equal to the fair market value of such Note (in the case of termination due to an Illegality, ignoring such Illegality), 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 early 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
	(iv) Early redemption amount(s) per Calculation	Not Applicable

Amount payable on redemption on other early redemption (other than as specified in paragraphs 39(i), 39(ii) and 39(iii) above and paragraph 40(ii) below):

(Condition 27)

40. Illegality and Regulatory Event:  
(Condition 27)
- (i) Illegality and Regulatory Event: Applicable
- (ii) Early Redemption Amount (Illegality and Regulatory Amount) Early Redemption Amount (Illegality and Regulatory Event) – Fair Value Less Costs
41. Substitution of Issuer or Guarantor with non Morgan Stanley Group entities: Applicable  
(Condition 38.2)
42. Governing Law: English law
- GENERAL PROVISIONS APPLICABLE TO THE NOTES**
43. Form of Notes: Registered Notes:  
(Condition 3) Global Note Certificate registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
44. Record Date: As set out in the Conditions
45. Additional Financial Centre(s) or other special provisions relating to Payment Business Days: London  
For the avoidance of doubt, the Principal Financial Centre for USD shall be New York, for the purposes of the definition of “Payment Business Day” in Condition 2.1 (*Definitions*) and for the purposes of Condition 22.5 (*Payments on Payment Business Days*).
46. Determination Agent: Morgan Stanley & Co. International plc
47. 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
48. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
49. Redenomination, renominatisation and reconventioning provisions: Not Applicable
50. Restrictions on free transferability of the Notes: None
51. Inconvertibility Event Provisions: Not Applicable

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|-----|----------------------|---|
| 52. | CNY Center:          | Not Applicable  |
| 53. | Taxation::           | Not Applicable  |
|     | (i) Condition 25.1:  | “Additional Amounts” is Not Applicable                      |
|     | (ii) Condition 25.3: | Implementation of Financial Transaction Tax: Not Applicable |
| 54. | Other terms:         | Not Applicable  |

**DISTRIBUTION**

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| 55. | (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 Agreement:  | Not Applicable   |
|     | (iii) Stabilising Manager(s) (if any):   | Not Applicable   |
| 56. | If non-syndicated, name and address of Dealer:   | Morgan Stanley & Co. International plc<br>25 Cabot Square<br>Canary Wharf<br>London E14 4QA  |
| 57. | U.S. Selling Restrictions:   | Regulation S   |
| 58. | Total commission and concession:   | In connection with the offer and sale of the Notes, the Issuer or the Dealer may pay to any intermediary a one time or recurring intermediary fee. Details may be disclosed upon request by Noteholders.   |
| 59. | Additional selling restrictions:   | The Notes may not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea and the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under the applicable laws of and regulations of Korea. |

**PURPOSE OF PRICING SUPPLEMENT**

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

**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 or around the Issue Date.

Estimate of total expenses related to admission to trading: EUR 600

### 2. RATINGS

Ratings: The Notes will not be rated

### 3. OPERATIONAL INFORMATION

ISIN: XS1070749962

Common Code: 107074996

New Global Note: No

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

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

## INDEX DISCLAIMERS

### **KOREA EXCHANGE**

KOSPI is a service mark of the Korea Exchange (KRX) licensed for use by the Issuer.

1. KRX DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE KRX INDEXES OR ANY DATA INCLUDED THEREIN AND KRX SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.
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5. KRX makes no representation or warranty, express or implied, to the owners of the financial products linked to KRX Indexes or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the KRX Indexes to track general stock market performance (profitability).
6. KRX's only relationship to the Licensee is the licensing of certain trademarks and trade names of KRX and of the KRX Indexes which is determined, composed and calculated by KRX without regard to the Licensee or the content of the product.
7. KRX has no obligation to take the needs of the Licensee or the owners of the financial products linked to KRX Indexes into consideration in determining, composing or calculating the KRX Indexes. KRX is not responsible for and has not participated in the determination of the timing of the issuance or sale of the derivative products linked to KRX Indexes or in the determination or calculation of the equation by which the derivative products linked to KRX Indexes is to be converted into cash.
8. KRX has no obligation or liability to the owners of the financial products linked to KRX Indexes in connection with the administration, marketing or trading of the Product.

