

**Morgan Stanley B.V.**

Issue of USD 13,000,000 Equity Linked Notes due 2027

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, 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 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. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL 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 OF 1936, 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 ACCOMPANYING OFFERING CIRCULAR DATED 30 JUNE 2017. 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 the Notes described herein. This Pricing Supplement must be read in conjunction with the Offering Circular dated 30 June 2017 to the Offering Circular dated 30 June 2017 (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)) and 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. The amount payable on redemption of the Notes is linked to the performance of the Underlying (as defined herein), and may be less than par. Given the highly specialised nature of these Notes, Morgan Stanley B.V. (the "Issuer"), Morgan Stanley ("the Guarantor") and Morgan Stanley & Co. International plc ("MSI plc") 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 Underlying, are willing to take risks and can absorb the partial 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 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:

**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 Notes or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

In addition, other circumstances may occur which either increase the liability of the Issuer fulfilling its obligations under the Notes or increase the liability of any hedging activities related to such obligations, including without limitation the adoption of or any change in any tax law relating to a common system of financial transaction tax in the European Union or otherwise.

In such circumstances, the Determination Agent can in its sole and absolute discretion determine whether to redeem the Notes early, or adjust the terms of the Notes, which may include without limitation adjustments to the Initial Reference Price, the Final Redemption Amount or the Underlying. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action. Potential investors should see the Offering Circular for a detailed description of potential adjustment events and adjustments.

**Adjustment and Discontinuation Risk:** The Sponsor of the Underlying can add, delete or substitute stocks constituting the Underlying or make other methodological changes that could change the value of the Underlying without regard to the interests of holders of the Notes. Any of these decisions/determinations may adversely affect the value of the Notes and may result in the investor receiving a return that is materially different from what he/she would have received if the event had not occurred.

**Basket Components Risk:** The Notes will be redeemed at an amount determined by reference to the performance of the Basket Components and such performance will therefore affect the nature and value of the investment return on the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Basket Components based upon such investigations and not in reliance on any information given in this document.

**Product Market Risk:** The value of the Notes and the returns available under the terms of the Notes will be influenced and dependent on the value of the Underlying. It is impossible to predict how the level of the Underlying will vary over time. The historical performance (if any) of the Underlying is not indicative of its future performance.

**Credit Risk:** Investors are exposed to the credit risk of the Issuer and/or Guarantor. 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 at maturity and that the Guarantor promises to pay if the Issuer fails to do so. There is the risk, however, that the Issuer and the Guarantor may not be able to fulfil their obligations, irrespective of whether the Notes are referred to as capital or principal protected. Investors may lose all or part of their investment if the Issuer and the Guarantor are unable to pay the coupons (if any) or the redemption amount. No assets of the Issuer and/or Guarantor are segregated and specifically set aside in order to pay the holders of the Notes in the event of liquidation of the Issuer and/or Guarantor, and the holders of the Notes will rank behind secured or preferred creditors.

**Capital is not protected:** the final redemption amount depends on the performance of the Underlying and could be zero.

**Exit Risk:** Any secondary market price of the Notes will depend on many factors, including the value and volatility of the Underlying(s), interest rates, the dividend rate on the stocks that compose the Underlying, time remaining to maturity and the creditworthiness of the Issuer and/or the Guarantor. 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.

**Liquidity Risk:** The Notes will not be traded on an organized exchange. 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.

**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 Underlying, in option contracts on the Underlying or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying as part of their general businesses. Any of these activities could potentially affect the value of the Underlying, and accordingly, could affect the pay-out to holders on the Notes.

**Issuer Call Option Risk:** The Issuer has the right to terminate the Notes on any Early Redemption Payment Date at a pre-determined amount which may be less than the amount that the investors would have been entitled to receive under the terms of the Notes if such option had not been exercised. The Issuer might exercise the Issuer Call Option at a time in which the termination of the Notes is least favourable for the investors, and therefore this can limit the possibility for investors to realise in full the expected returns. If the Issuer exercises the Call Option, investors generally might not be able to reinvest the termination proceeds at a rate of returns comparable with that provided by the Notes

**Market Risk:** Price movements in the Basket Components may not correlate with each other. Increases in the value of one or more of the Basket Components may be moderated, or wholly offset, by lesser increases or declines in the value of one or more of the other components.

**No Shareholder Rights:** A holder of Notes will have no beneficial interest in the stocks that compose the relevant Underlying nor any voting rights and will not have the right to receive dividends or other distributions with respect to the stocks that compose the Underlying.

**Potential Conflict of Interest:** The Determination Agent, which is an affiliate of the Issuer, will determine the pay-out to the investor at maturity. Morgan Stanley & Co. International plc and its affiliates may trade the Underlying on a regular basis as part of its general broker-dealer business and may also carry out hedging activities in relation to the Notes. Any of these activities could influence the Determination Agent's determination of adjustments made to any Notes and any such trading activity could potentially affect the price of the Underlying and, accordingly, could affect the investor's pay-out on any Note.

**Underlying Sponsor Risk:** The sponsor of the relevant Underlying is not an affiliate of the Issuer or its affiliates and is not involved with this offering in any way. Consequently, the Issuer and the Determination Agent have no ability to control the actions of the sponsor of the relevant Underlying, including and rebalancing 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 and (iii) in accordance with the terms set out in Annex 2.

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 B.V.   |
|     | (ii)   | Guarantor:                             | Morgan Stanley  |
| 2.  | (i)    | Series Number:                         | 10021   |
|     | (ii)   | Tranche Number:                        | 1   |
| 3.  |        | Specified Currency or Currencies:      | U.S. Dollar (“USD”)   |
| 4.  |        | Aggregate Nominal Amount of the Notes: | USD 13,000,000  |
|     | (i)    | Series:                                | USD 13,000,000  |
|     | (ii)   | Tranche:                               | USD 13,000,000  |
| 5.  |        | Issue Price                            | 100 per cent. of par per Note   |
| 6.  | (i)    | Specified Denominations:               | USD 1,000   |
|     | (ii)   | Calculation Amount (Par):              | USD 1,000   |
| 7.  | (i)    | Issue Date:                            | 27 July 2017  |
|     | (iv)   | Trade Date:                            | 20 July 2017  |
|     | (v)    | Interest Commencement Date             | Not Applicable  |
|     | (vi)   | Strike Date:                           | 20 July 2017  |
|     | (vii)  | Determination Date:                    | 20 July 2027  |
| 8.  |        | Maturity Date:                         | 27 July 2027, subject to adjustment in accordance with the Business Day Convention (i) in the event such date is not a Business Day or (ii) such that the Maturity Date shall always be at least four (4) Business Days following the Determination Date. |
| 9.  |        | Interest Basis:                        | Equity-Linked Interest  |
| 10. |        | Redemption/Payment Basis:              | Equity-Linked Redemption  |
| 11. | Change | of                                     | Interest or Not Applicable  |

Redemption/Payment Basis:

12. Put/Call Options/Autocallable Early Redemption:
- (i) Redemption at the Option of the Issuer: Applicable  
(Condition 21.5)
  - (ii) Redemption at the Option of Noteholders: Not Applicable  
(Condition 21.7)
  - (iii) Autocallable Early Redemption: Not Applicable  
(Condition 18)
  - (iv) Other put/call options: Not Applicable
13. (i) Status of the Notes: As set out in Condition 4.1  
(Condition 4)
- [(ii) Status of the Guarantee: As set out in Condition 4.2
14. Method of distribution: Non-syndicated

**RELEVANT UNDERLYING**

15.

- (A) Single Share Notes, Share Basket Notes: Not Applicable  
(Condition 10)
- (B) Single Index Notes, Index Basket Notes: Applicable  
(Condition 10)
- (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**")

i	Underlying;	Bloomberg® Code	Index Sponsor)	Exchange
1	S&P 500® Index	SPX Index	McGraw-Hill Companies	Multi Exchange Applicable
2	Russell 2000 Index	RTY Index	FTSE Russell	Multi Exchange Applicable

3	EURO STOXX 50 Index	SX5E Index	STOXX Limited	Multi Exchange Applicable
	(ii) Exchange(s):	See table above		
	(iii) Related Exchange(s):	All Exchanges		
(C)	Single ETF Notes, ETF Basket Notes: (Condition 10)	Not Applicable		
(D)	Commodity-Linked Notes: (Condition 11)	Not Applicable		
(E)	Currency-Linked Notes: (Condition 12)	Not Applicable		
(F)	Inflation-Linked Notes: (Condition 13)	Not Applicable		
(G)	Property-Linked Notes: (Condition 14)	Not Applicable		
(H)	Fund-Linked Notes: (Condition 15)	Not Applicable		
(I)	Preference Share-Linked Notes (Condition 17)	Not Applicable		

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

16.	Fixed Rate Note Provisions (Condition 5)	Not Applicable
17.	Floating Rate Note Provisions (Condition 6)	Not Applicable
18.	Zero Coupon Note Provisions (Condition 7)	Not Applicable
19.	Dual Currency-Linked Note Interest Provisions (Condition 8)	Not Applicable
20.	Equity-Linked Interest Note Provisions:	Applicable

(Condition 10)

- (A) Single Share Notes/Share Basket Notes: Not Applicable
- (B) Single Index Notes/Index Basket Notes: Applicable
- (i) Weighting for each Index: Not Applicable
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): Morgan Stanley & Co. International plc (the “**Determination Agent**”). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
- (iii) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculated by reference to Index: Unless an Early Redemption Event occurs, in respect of each Interest Determination Date, an Interest Amount per Calculation Amount shall be payable on the corresponding Interest Payment Date as determined by the Determination Agent as follows:
- (i) If on an Interest Determination Date<sub>n</sub>, the official closing price of all Underlying<sub>i</sub> are at or greater than their relevant Coupon Barrier Level, at an amount in USD calculated as follows:
- Par x Coupon**
- (ii) Else, 0% of Par
- Where:
- “**Coupon**” means 2.1875%;
- “**Coupon Barrier Level**” means 70% as a percentage of Initial Reference Level; and
- “**Initial Reference Level**” means the official closing price of the Underlying<sub>i</sub> on its respective Strike Date
- (iv) Interest Determination Date(s): 20 October 2017, 22 January 2018, 20 April 2018, 20 July 2018, 22 October 2018, 22 January 2019, 23 April 2019, 22 July 2019, 21 October 2019, 21 January 2020, 20 April 2020, 20 July 2020, 20 October 2020, 20 January 2021, 20 April 2021, 20 July 2021, 20 October 2021, 20 January 2022, 20 April 2022, 20 July 2022, 20 October 2022, 20 January 2023, 20 April 2023, 20 July 2023, 20 October 2023, 21 January 2024, 22 April 2024, 22 July 2024, 21 October 2024, 21 January 2025, 22 April 2025, 21 July 2025, 20 October 2025, 20 January

2026, 20 April 2026, 20 July 2026, 20 October 2026, 20 January 2027, 20 April 2027 and 20 July 2027

Subject to adjustment in accordance with applicable Business Day Convention if such date is not a Scheduled Trading Day or is a Disrupted Day.

- (v) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to Index is impossible or impracticable or otherwise disrupted: Determination Agent determination
- (vi) Interest Period: As set out in Condition 2.1
- (vii) Specified Interest Payment Dates: 27 October 2017, 29 January 2018, 27 April 2018, 27 July 2018, 29 October 2018, 29 January 2019, 30 April 2019, 29 July 2019, 28 October 2019, 28 January 2020, 27 April 2020, 27 July 2020, 27 October 2020, 27 January 2021, 27 April 2021, 27 July 2021, 27 October 2021, 27 January 2022, 27 April 2022, 27 July 2022, 27 October 2022, 27 January 2023, 27 April 2023, 27 July 2023, 27 October 2023, 29 January 2024, 29 April 2024, 29 July 2024, 28 October 2024, 28 January 2025, 29 April 2025, 28 July 2025, 27 October 2025, 27 January 2026, 27 April 2026, 27 July 2026, 27 October 2026, 27 January 2027, 27 April 2027 and 27 July 2027
- (viii) Averaging Date: Not Applicable
- (ix) Averaging Date Disruption: Not Applicable
- (x) Observation Date(s): Not Applicable
- (xi) Observation Period: Not Applicable
- (xii) Additional Disruption Events: Change in Law, Hedging Disruption and Increased Cost of Hedging shall apply
- (xiii) Business Day Convention: Following Business Day Convention
- (xiv) Additional Business Centre(s): New York and TARGET
- (xv) Minimum Rate/Amount of Interest: Not Applicable
- (xvi) Maximum Rate/Amount of Interest: Not Applicable
- (xvii) Day Count Fraction: Not Applicable
- (xviii) Other special terms and: Not Applicable



conditions:

(C)	Single ETF Notes/ETF Basket Notes:	Not Applicable
21.	Commodity-Linked Interest Note Provisions	Not Applicable
	(Condition 11)	
22.	Currency-Linked Interest Note Provisions	Not Applicable
	(Condition 12)	
23.	Inflation-Linked Interest Note Provisions	Not Applicable
	(Condition 13)	
24.	Property-Linked Interest Note Provisions	Not Applicable
	(Condition 14)	
25.	Fund-Linked Interest Note Provisions	Not Applicable
	(Condition 15)	
26.	Credit-Linked Interest Note Provisions	Not Applicable
	(Condition 16)	

#### PROVISIONS RELATING TO REDEMPTION

27.	Call Option	Applicable
	(Condition 21.5)	
(i)	Optional Redemption Date(s):	27 July 2018, 29 October 2018, 29 January 2019, 30 April 2019, 29 July 2019, 28 October 2019, 28 January 2020, 27 April 2020, 27 July 2020, 27 October 2020, 27 January 2021, 27 April 2021, 27 July 2021, 27 October 2021, 27 January 2022, 27 April 2022, 27 July 2022, 27 October 2022, 27 January 2023, 27 April 2023, 27 July 2023, 27 October 2023, 29 January 2024, 29 April 2024, 29 July 2024, 28 October 2024, 28 January 2025, 29 April 2025, 28 July 2025, 27 October 2025, 27 January 2026, 27 April 2026, 27 July 2026, 27 October 2026, 27 January 2027 and 27 April 2027
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	USD 1,000 per Calculation Amount plus any Interest Amount as specified in item 20 (B) (iii) above
(iii)	Maximum Call Notice Number of Day(s):	The Issuer has the right to terminate the Notes early (in whole but not in part) on any Issuer Call Date by giving (3) Business Days' prior notice, as follows:

	(iv) Minimum Call Notice Number of Day(s):	Not Applicable
28.	Put Option (Condition 21.7)	Not Applicable
29.	Autocallable Early Redemption (Condition 18)	Not Applicable
30.	Final Redemption Amount of each Note (Condition 21.1)	Linked Redemption Amount specified below
31.	Dual Currency Redemption Provisions (Condition 8)	Not Applicable
32.	Equity-Linked Redemption Provisions: (Condition 10)	Applicable
(A)	Single Share Notes/Share Basket Notes:	Not Applicable
(B)	Index Basket Notes:	Applicable
	(i) Averaging Dates:	Not Applicable
	(ii) Averaging Date Disruption:	Not Applicable
	(iii) Observation Date(s):	Not Applicable
	(iv) Observation Period:	Not Applicable
	(v) Determination Time(s):	As per the Conditions
	(vi) Determination Agent responsible for calculating the Final Redemption Amount:	Morgan Stanley & Co. International plc (the “ <b>Determination Agent</b> ”). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
	(vii) Provisions for determining Final Redemption Amount:	Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem the Notes on the Maturity Date at the Final Redemption Amount per Note as determined by the Determination Agent as follows:  (i) If on the Determination Date, the Final Reference Level of each Underlying is equal to or greater than its Barrier Level: 100% of Par;

OR

(ii) If on the Determination Date, the Final Reference Level of any Underlying is less than the Barrier Level:

Par \* Performance Factor of Lowest Performing Underlying

“**Barrier Level**” means in respect of each Underlying, 50 per cent of the Initial Reference Level;

“**Final Reference Level<sub>i</sub>**” means the official closing price of the Underlying<sub>i</sub> on the Determination Date;

“**Lowest Performing Underlying**” (“LPU”) means the Lowest Performing Underlying which generates the lowest result from the following calculation:

$$\frac{[(\text{Final Reference Level}_i - \text{Initial Reference Level}_i)]}{\text{Initial Reference Level}_i}$$

For the avoidance of doubt, if there is more than one Underlying with the lowest result, the Determination Agent shall determine the LPU in its sole discretion

“**Final Reference Level LPU**” means the Final Reference Level of the Lowest Performing Underlying;

“**Initial Reference Level LPU**” means the Initial Reference Level of the Lowest Performing Underlying;

“**Performance Factor**” means an amount calculated as follows:

Final Reference Level/ Initial Reference Level

- |        |   |   |
|--------|---|---|
| (viii) | Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted: | Determination Agent determination   |
| (ix)   | Weighting for each 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):  | New York, TARGET  |
| (xiii) | Other special terms and conditions:   | None  |
| (C)    | Single ETF Notes/ETF Basket Notes:  | Not Applicable  |

33.	Commodity-Linked Redemption Provisions  (Condition 11)	Not Applicable
34.	Currency-Linked Redemption Provisions  (Condition 12)	Not Applicable
35.	Inflation-Linked Redemption Provisions  (Condition 13)	Not Applicable
36.	Property-Linked Redemption Provisions  (Condition 14)	Not Applicable
37.	Fund-Linked Redemption Provisions  (Condition 15)	Not Applicable
38.	Credit-Linked Redemption Provisions  (Condition 16)	Not Applicable
39.	Preference Share-Linked Redemption Provisions:  (Condition 17)	Not Applicable
40.	(i) Early Redemption Amount upon Event of Default:  (Condition 26)	Qualified Financial Institution Determination
	(ii) Early redemption amount payable upon an event described in Condition 10.2(b)/10.4(a)(iii)/10.5(c)/10.6(c)/10.7(c)/10.8(c)/10.7(c)/10.8(c)/11.7(b)/12.5(c)/13.6(c)/14.5/14.6(c)/15.5(d)/17.4/17.5/17.6:	As provided in Condition 10.2(b)/10.4(a)(iii)/10.5(c)/10.6(c)/10.7(c)/10.8(c)/11.7(b)/12.5(c)/13.6(c)/14.5/14.6(c)/15.5(d)/17.4/17.5/17.6
	(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, 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
41.	Illegality and Regulatory Event:  (Condition Error! Reference source not	

**found.)**

- |      |   |   |
|------|---|---|
| (i)  | Illegality and Regulatory Event:  | Applicable  |
| (ii) | Early Redemption Amount (Illegality and Regulatory Event):  | Early Redemption Amount (Illegality and Regulatory Event) – Fair Value Less Costs |
| 42.  | Substitution of Issuer or Guarantor with non Morgan Stanley Group entities:<br><br>(Condition 38.2) | Applicable  |
| 43.  | Governing Law:  | English law   |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |   |  |
|-----|---|--|
| 44. | Form of Notes:<br><br>(Condition 3)   | Registered Notes:<br><br>Global Note Certificate registered in the name of a common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates on in the limited circumstances described in the Global Note Certificate |
| 45. | Record Date:  | As set out in the Conditions   |
| 46. | Additional Financial Centre(s) or other special provisions relating to Payment Business Days:   | New York   |
| 47. | Determination Agent:  | Morgan Stanley & Co. International plc   |
| 48. | 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   |
| 49. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:  | Not Applicable   |
| 50. | Redenomination, renominatisation and reconventioning provisions:  | Not Applicable   |
| 51. | Restrictions on free transferability of the Notes:  | None   |
| 52. | Inconvertibility Event Provisions:<br><br>(Condition 19)  | Not Applicable   |
| 53. | CNY Center:   | Not Applicable   |

54. Taxation:
- (i) Condition 25.1: "Additional Amounts" is Not Applicable
  - (ii) Condition 25.4: Implementation of Financial Transaction Tax: *Applicable*
55. Other terms: None

**DISTRIBUTION**

56. (i) If syndicated, 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
57. If non-syndicated, name and address of Dealer: Morgan Stanley & Co. International plc  
25 Cabot Square  
London E14 4AD
58. U.S. Selling Restrictions: Regulation S
59. Total commission and concession: 3.50 per cent. of the Aggregate Nominal Amount
60. Additional selling restrictions: Not Applicable

## Taxation

**This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes. Holders should seek their own advice based upon their particular circumstances from an independent tax advisor.**

A Non-U.S. Holder (as defined in the Offering Circular) should review carefully the section entitled "*United States Federal Taxation*" in the Offering Circular.

### **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 for the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

### **POTENTIAL SECTION 871(M) TRANSACTION**

Please see paragraph 5 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

**RESPONSIBILITY**

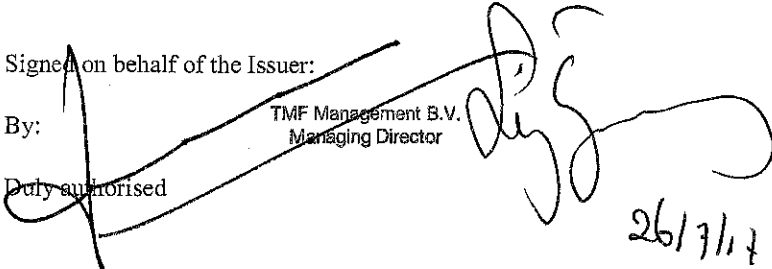
The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

TMF Management B.V.  
Managing Director

Duly authorised

A large, stylized handwritten signature in black ink, written over the printed text. The signature is cursive and appears to be 'J. J. J.' or similar.

26/7/17



## 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 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.

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

### 2. RATINGS

Ratings: The Notes will not be rated

### 3. Notes linked to a Relevant Underlying only – PERFORMANCE OF EQUITY/INDEX/COMMODITY/CURRENCY/FUND/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

In respect of Russell 2000® Index – Bloomberg page <RTY Index>; and

In respect of EURO STOXX 50® Index – Bloomberg page <SX5E Index>

In respect of S&P 500 Index – Bloomberg page <SPX Index>

The Issuer does not intend to provide post-issuance information with regard to the underlying.

### 4. OPERATIONAL INFORMATION

ISIN: XS1653205903

Common Code: 165320590

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):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as "no" at the date of these Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
5. <b>POTENTIAL SECTION TRANSACTION</b>	<b>871(M)</b> The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise
6. <b>Prohibition of Sales to EEA Retail Investors:</b>	Not Applicable

ANNEX 1

**Statement concerning the EURO STOXX 50® Index**

THE EUROSTOXX 50 INDEX AND THE RELATED TRADEMARKS HAVE BEEN LICENSED FOR USE BY MORGAN STANLEY. THE NOTES ARE NOT SPONSORED OR PROMOTED BY STOXX LIMITED.

STOXX HAS NO RELATIONSHIP TO MORGAN STANLEY, OTHER THAN THE LICENSING OF THE INDEX AND THE RELATED TRADE MARKS FOR USE IN CONNECTION WITH THE NOTES.

STOXX DOES NOT:

SPONSOR, ENDORSE, SELL OR PROMOTE THE NOTES;

RECOMMEND THAT ANY PERSON INVEST IN THE NOTES OR ANY OTHER SECURITIES;

HAVE ANY RESPONSIBILITY OR LIABILITY FOR OR MAKE ANY DECISIONS ABOUT THE TIMING, AMOUNT OR PRICING OF THE NOTES;

HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ADMINISTRATION, MANAGEMENT OR MARKETING OF THE NOTES;

CONSIDER THE NEEDS OF THE INSTRUMENTS OR THE OWNERS OF THE NOTES IN DETERMINING, COMPOSING OR CALCULATING THE INDEX OR HAVE ANY OBLIGATION TO DO SO.

STOXX WILL NOT HAVE ANY LIABILITY IN CONNECTION WITH THE NOTES. SPECIFICALLY:

STOXX DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED AND DISCLAIMS ANY AND ALL WARRANTY ABOUT:

THE RESULTS TO BE OBTAINED BY THE NOTES, THE OWNER OF THE NOTES OR ANY OTHER PERSON IN CONNECTION WITH THE USE OF THE INDEX AND THE DATA INCLUDED IN THE INDEX;

THE ACCURACY OR COMPLETENESS OF THE EURO STOXX 50 AND ITS DATA; AND

THE MERCHANTABILITY AND THE FITNESS FOR A PARTICULAR PURPOSE OR USE OF THE INDEX AND ITS DATA;

STOXX WILL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS IN THE INDEX OR ITS DATA;

UNDER NO CIRCUMSTANCES WILL STOXX BE LIABLE FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF STOXX KNOWS THAT THEY MIGHT OCCUR.

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**Statement concerning the Russell 2000® Index**

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S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER, HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

THE ISSUER ACCEPTS NO RESPONSIBILITY OR LIABILITY WHATSOEVER IN RESPECT OF ANY PERSON WHO MAY BE AFFECTED ADVERSELY OR OTHERWISE, WHETHER DIRECTLY OR INDIRECTLY, IN CONNECTION WITH ANY PURCHASE OR SALE OF, OR INVESTMENT IN NOTES, FOR ANY ACTIONS TAKEN OR ANY OMISSIONS RELATING TO THE S&P 500® INDEX INCLUDING, WITHOUT LIMITATION, CHANGES IN THE COMPOSITION OF THE S&P 500® INDEX, ALTERATIONS OR ERRORS IN THE METHODS OF CALCULATING THE S&P 500® INDEX, DELAY, TERMINATION, SUSPENSION OR INTERRUPTION OF THE S&P 500® INDEX ITSELF OR IN THE CALCULATION OR PUBLICATION OF THE S&P 500®, THE ACCURACY AND THE COMPLETENESS OF ANY COMPOSITION OF THE S&P 500® INDEX OR CALCULATION OF THE S&P 500® INDEX, ANY ACT OF FORCE MAJEURE OR OTHERWISE ON THE PART OF THE CORPORATIONS OR ANY SUCCESSOR SPONSOR.

## ANNEX 2

Any investment in the Notes made with the intention to offer, sell or otherwise transfer (together, “**distribute**” and each a “**distribution**”) such Notes to prospective investors will be deemed to include, without limitation, the following representations, undertakings and acknowledgements:

- (i) you shall only distribute as principal or, alternatively, acting as an agent on behalf of your unnamed principals and will not do so as agent for any Morgan Stanley entity (together “Morgan Stanley”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that the Securities are appropriate or suitable for each of the prospective investors and that the prospective investors (a) have the requisite capacity and authority to purchase the Security and (b) understand the risks and are capable of assessing and assuming the risks associated with an investment in the Security;
- (ii) you shall not make any representation or offer any warranty to investors regarding the Security, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorized and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- (iii) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Offering Circular and the Pricing Supplement and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“Regulations”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;
- (iv) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein and all applicable sanctions laws and programs, including without limitation the U.S. Department of Treasury’s Office of Foreign Assets Control;
- (v) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations. In relation to any Security issued pursuant to a personal recommendation to a retail client in the UK, you agree to be remunerated only by way of adviser charges which have been pre-agreed with the client and not to solicit or accept any third party commissions, remuneration or benefits of any kind in relation to such recommendation;
- (vi) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (i) to (v) above, or acting otherwise than as required or contemplated herein.