

Pricing Supplement dated 13 July 2017

Morgan Stanley Finance LLC

Issue of USD 970,000 Equity Linked Notes due 2020

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) and the Luxembourg Stock Exchange (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 Finance LLC (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. These circumstances include the Nationalisation, Delisting, Insolvency or a Takeover or Merger of the share issuers of the Underlying.

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.

Potential investors should see the Offering Circular for a detailed description of potential adjustment events and adjustments.

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.

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: 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.

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 Issuer Risk: The issuer 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 issuer 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 1.

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

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

GENERAL

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|-----|-------|--|---|
| 1. | (i) | Issuer: | Morgan Stanley Finance LLC |
| | (ii) | Guarantor: | Morgan Stanley |
| 2. | (i) | Series Number: | 9981 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | United States dollar (USD) |
| 4. | | Aggregate Nominal Amount of the Notes: | |
| | (i) | Series: | USD 970,000 |
| | (ii) | Tranche: | USD 970,000 |
| 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: | 13 July 2017 |
| | (iv) | Trade Date: | 29 June 2017 |
| | (v) | Interest Commencement Date | Not Applicable |
| | (vi) | Strike Date: | 29 June 2017 |
| | (vii) | Determination Date: | 29 June 2020 |
| 8. | | Maturity Date: | 14 July 2020, 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 five (5) Business Days following the Determination Date. |
| 9. | | Interest Basis: | Not Applicable |
| 10. | | Redemption/Payment Basis: | Equity-Linked Redemption. See item 32(A) below |
| 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: Not 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: Applicable
(Condition 10)
- (i) Whether the Notes relate to a single share or a basket of shares (each, a "Share") and the identity of the relevant issuer(s) and class of the Share (each, a "Share Issuer") Share Basket Notes

i	Name	Bloomberg Code	CCY	FX(i,0)	Share Weight(i)	Initial S(i)
1	Deutsche Lufthansa AG	LHA GY Equity	EUR	1	431807.3574	19.795
2	RWE AG	RWE GY Equity	EUR	1	464127.1422	17.385
3	Deutsche Post AG	DPW GY Equity	EUR	1	206139.1907	32.965
4	Air France-KLM	AF FP Equity	EUR	1	529862.5887	12.16

5	Vinci SA	DG FP Equity	EUR	1	80788.0755	74.89
6	Fortum OYJ	FORTUM FH Equity	EUR	1	407085.5621	13.88
7	Electricite de France SA	EDF FP Equity	EUR	1	572931.4216	9.48
8	Altice NV	ATC NA Equity	EUR	1	262751.395	20.5
9	Telecom Italia SpA/Milano	TIT IM Equity	EUR	1	6440604.908	0.8185
10	Ryanair Holdings PLC	RYA LN Equity	EUR	1	293963.431	17.8
11	Terna Rete Elettrica Nazionale SpA	TRN IM Equity	EUR	1	1093239.209	4.744
12	Red Electrica Corp SA	REE SQ Equity	EUR	1	277065.6378	18.235
13	Veolia Environnement SA	VIE FP Equity	EUR	1	271805.3447	18.585
14	Orange SA	ORA FP Equity	EUR	1	350728.1068	14.035
15	ProSiebenSat.1 Media SE	PSM GY Equity	EUR	1	118296.8248	37.245
16	Koninklijke KPN NV	KPN NA Equity	EUR	1	1520188.388	2.806
17	Distribuidora Internacional de Alimentac	DIA SQ Equity	EUR	1	739055.0254	5.488
18	Mediaset SpA	MS IM Equity	EUR	1	1153096.074	3.496
19	Snam SpA	SRG IM Equity	EUR	1	1025542.474	3.886
20	Enagas SA	ENG SQ Equity	EUR	1	151251.7974	24.98
21	Proximus SADP	PROX BB Equity	EUR	1	107506.7625	30.695
22	United Internet AG	UTDI GY Equity	EUR	1	65082.5339	47.895
23	Groupe Eurotunnel SE	GET FP Equity	EUR	1	269841.8667	9.328
24	Mediaset Espana Comunicacion SA	TL5 SQ Equity	EUR	1	225606.234	10.905
25	Telefonica Deutschland Holding AG	O2D GY Equity	EUR	1	541552.0309	4.292
26	Colruyt SA	COLR BB Equity	EUR	1	39602.74475	45
27	TomTom NV	TOM2 NA Equity	EUR	1	197805.4057	8.374
28	Aeroports de Paris	ADP FP Equity	EUR	1	11232.54298	141.3

29	PostNL NV	PNL NA Equity	EUR	1	378668.5602	4.088
30	Cellnex Telecom SA	CLNX SQ Equity	EUR	1	80095.65518	18.17
31	Television Francaise 1	TFI FP Equity	EUR	1	89751.37074	12.2
32	bpost SA	BPOST BB Equity	EUR	1	50213.17833	21.19
33	Axel Springer SE	SPR GY Equity	EUR	1	19106.83307	52.81
34	Italgas SpA	IG IM Equity	EUR	1	205108.4947	4.368
35	Sopra Steria Group	SOP FP Equity	EUR	1	4458.705987	139.45
36	NOS SGPS SA	NOS PL Equity	EUR	1	112611.2106	5.317
37	Oesterreichische Post AG	POST AV Equity	EUR	1	14492.32621	37.685
38	B&M European Value Retail SA	BME LN Equity	GBp	0.011369	117143.4406	340.1
39	Redes Energeticas Nacionais SGPS S	RENE PL Equity	EUR	1	162237.0721	2.755
40	Cia de Distribucion Integral Logista Hol	LOG SQ Equity	EUR	1	14867.16736	23.285
41	CTT-Correios de Portugal SA	CTT PL Equity	EUR	1	61322.52483	5.569
42	Elis SA	ELIS FP Equity	EUR	1	17180.98544	19.68
42	Elia System Operator SA/NV	ELI BB Equity	EUR	1	6592.871647	49.705
44	Metropole Television SA	MMT FP Equity	EUR	1	14548.3445	20.265
45	Europcar Groupe SA	EUCAR FP Equity	EUR	1	17917.9761	12.74
46	Flughafen Wien AG	FLU AV Equity	EUR	1	6571.645968	33.335
47	Hamburger Hafen und Logistik AG	HHFA GY Equity	EUR	1	5605.768059	19.12
48	Scout24 AG	G24 GY Equity	EUR	1	2224.976564	31.75

Each an “Underlying Share_i”

(ii) Partial Lookthrough ADR Not Applicable Provisions:

(iii) Full Lookthrough ADR Not Applicable Provisions:

(iv) Exchange(s):

i	Name	Exchange
1	Deutsche Lufthansa AG	Xetra
2	RWE AG	Xetra
3	Deutsche Post AG	Xetra
4	Air France-KLM	Euronext Paris
5	Vinci SA	Euronext Paris
6	Fortum OYJ	Helsinki Stock Exchange
7	Electricite de France SA	Euronext Paris
8	Altice NV	Euronext Amsterdam
9	Telecom Italia SpA/Milano	Borsa Italiana
10	Ryanair Holdings PLC	London Stock Exchange
11	Terna Rete Elettrica Nazionale SpA	Borsa Italiana
12	Red Electrica Corp SA	Bolsa de Madrid
13	Veolia Environnement SA	Euronext Amsterdam
14	Orange SA	Euronext Paris
15	ProSiebenSat.1 Media SE	Xetra
16	Koninklijke KPN NV	Euronext Amsterdam
17	Distribuidora Internacional de Alimentac	Bolsa de Madrid
18	Mediaset SpA	Borsa Italiana
19	Snam SpA	Borsa Italiana
20	Enagas SA	Bolsa de Madrid
21	Proximus SADP	Euronext Brussels
22	United Internet AG	Xetra
23	Groupe Eurotunnel SE	Euronext Paris
24	Mediaset Espana Comunicacion SA	Bolsa de Madrid

25	Telefonica Deutschland Holding AG	Xetra
26	Colruyt SA	Euronext Brussels
27	TomTom NV	Euronext Amsterdam
28	Aeroports de Paris	Euronext Paris
29	PostNL NV	Euronext Amsterdam
30	Cellnex Telecom SA	Bolsa de Madrid
31	Television Francaise 1	Euronext Paris
32	bpost SA	Euronext Brussels
33	Axel Springer SE	Xetra
34	Italgas SpA	Borsa Italiana
35	Sopra Steria Group	Euronext Paris
36	NOS SGPS SA	Euronext Lisbon
37	Oesterreichische Post AG	Vienna Stock Exchange
38	B&M European Value Retail SA	London Stock Exchange
39	Redes Energeticas Nacionais SGPS S	Euronext Lisbon
40	Cia de Distribucion Integral Logista Hol	Bolsa de Madrid
41	CTT-Correios de Portugal SA	Euronext Lisbon
42	Elis SA	Euronext Paris
43	Elia System Operator SA/NV	Euronext Brussels
44	Metropole Television SA	Euronext Paris
45	Europcar Groupe SA	Euronext Paris
46	Flughafen Wien AG	Vienna Stock Exchange
47	Hamburger Hafen und Logistik AG	Xetra
48	Scout24 AG	Xetra

(v) Related Exchange(s): All Exchanges

(B) Single Index Notes, Index Basket Notes: Not Applicable

(Condition 10)

(C) Single ETF Notes, ETF Basket Notes: Not Applicable

(Condition 10)

(D) Commodity-Linked Notes: Not Applicable

(Condition 11)

(E) Currency-Linked Notes: Not Applicable

(Condition 12)

(F) Inflation-Linked Notes: Not Applicable

(Condition 13)

(G) Property-Linked Notes: Not Applicable

(Condition 14)

(H) Fund-Linked Notes: Not Applicable

(Condition 15)

(I) Preference Share-Linked Notes Not Applicable

(Condition 17)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions Not Applicable

(Condition 5)

17. Floating Rate Note Provisions Not Applicable

(Condition 6)

18. Zero Coupon Note Provisions Not Applicable

(Condition 7)

19. Dual Currency-Linked Note Interest Provisions Not Applicable

(Condition 8)

20. Equity-Linked Interest Note Provisions: Not Applicable

(Condition 10)

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	Not Applicable
	(Condition 21.5)	
28.	Put Option	Not Applicable
	(Condition 21.7)	
29.	Autocallable Early Redemption	Not Applicable
	(Condition 18)	
30.	Final Redemption Amount of each Note	Linked Redemption Amount specified below
	(Condition 21.1)	
31.	Dual Currency Redemption Provisions	Not Applicable
	(Condition 8)	
32.	Equity-Linked Redemption Provisions:	Applicable
	(Condition 10)	
(A)	Share Basket Notes:	Applicable
	(i) Determination Agent responsible for calculating the Final Redemption Amount:	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.

- (ii) 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 Basket Level is above the Buffer Level, the Final Redemption Amount shall be an amount in USD equal to:

100% of Par + max (0%, Final Basket Level / Initial Basket Level -1))

- (ii) Otherwise, the Final Redemption Amount shall be an amount in USD equal to:

100% of Par x (Final Basket Level / (71.40% x Initial Basket Level))

Where:

“Basket Level(t)” means:

$$\sum_{i=1}^{48} [ShareWeight(i) * S(i,t) * FX(i,t)] / Divisor$$

“S(i)” means the official closing level of Underlying Share_i on date(t);

“FX(i,0)” means GBpEUR rate on date (t) as published on the relevant Reuters page (ECB37) at approximately 4.35 pm (London time) or any successor page thereof as determined by the Determination Agent;

“Divisor” means 957,789.913094;

“Buffer Level” means -28.60%;

“Final Basket Level” means the Basket Level on the Determination Date; and

“Initial Basket Level” means the Basket Level on the Strike Date.

- (iii) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the Shares, Cash Settlement or Physical Delivery at the option of the Issuer: Cash Settlement

- (iv) Provisions for determining Final Redemption Amount where calculation by reference to one or more Shares is impossible or impracticable or otherwise: Determination Agent determination

disrupted:

(v)	Weighting for each Share comprising the Basket of Shares:	Not Applicable
(vi)	Averaging Dates:	Not Applicable
(vii)	Averaging Date Disruption:	Not Applicable
(viii)	Observation Date(s):	Not Applicable
(ix)	Observation Period(s):	Not Applicable
(x)	Determination Time(s):	As per the Conditions
(xi)	Delivery provisions for Shares (including details of who is to make such delivery):	Not Applicable
(xii)	Physical Settlement:	Not Applicable
(xiii)	Additional Disruption Events:	Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging shall apply
(xiv)	Business Day Convention:	Following Business Day Convention
(xv)	Additional Business Centre(s):	Not Applicable
(xvi)	Other special terms and conditions:	“ Business Day ” means a Scheduled Trading Day in respect of the Underlying Shares
(B)	Single Index Notes/Index Basket Notes	Not Applicable
(C)	Single ETF Notes/ETF Basket Notes:	Not Applicable
33.	Commodity-Linked Redemption Provisions	Not Applicable
	(Condition 11)	
34.	Currency-Linked Redemption Provisions	Not Applicable
	(Condition 12)	
35.	Inflation-Linked Redemption Provisions	Not Applicable
	(Condition 13)	
36.	Property-Linked Redemption Provisions	Not Applicable
	(Condition 14)	
37.	Fund-Linked Redemption Provisions	Not Applicable
	(Condition 15)	
38.	Credit-Linked Redemption Provisions	Not Applicable

(Condition 16)

39. Preference Share-Linked Redemption Provisions: Not Applicable

(Condition 17)

40. (i) Early Redemption Amount upon Event of Default: Qualified Financial Institution Determination

(Condition 26)

- (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)/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 [21.2]/[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 27)

- (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: Applicable

(Condition 38.2)

43. Governing Law: English law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

44. Form of Notes: Registered Notes:

(Condition 3)

Global Note Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates on 30 days' notice in the limited circumstances described in the

Global Note Certificate

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: Not Applicable
(Condition 19)
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 Morgan Stanley & Co. International plc

Dealer: 25 Cabot Square
London E14 4AD

58. U.S. Selling Restrictions: Regulation S

59. Total commission and concession: In connection with the offer and sale of the Securities, the Issuer or the Dealer may pay to any intermediary a one time or recurring intermediary fee. Further information is available from the sales intermediary upon request.

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 (*specify relevant market*) 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: 

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 on or around 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. PERFORMANCE OF EQUITY/INDEX/COMMODITY/CURRENCY/FUND/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Further information on each of the Underlying Share can be found at the following:

Further information on each of the Underlying Share can be found on the relevant Bloomberg page as set out in the above table at item 15(A)(i)

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

4. OPERATIONAL INFORMATION

ISIN: XS1625034720

Common Code: 162503472

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

Delivery: Delivery free of payment

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

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

Intended to be held in a manner which No. Whilst the designation is specified as "no" at the date of these Pricing Supplement, should

would allow Eurosystem eligibility:

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. **POTENTIAL SECTION 871(M) TRANSACTION** 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. **Prohibition of Sales to EEA Retail Investors:** Not Applicable

ANNEX 1

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.