

Pricing Supplement dated 24 December 2018

**Morgan Stanley B.V. as Issuer**

**Legal Entity Identifier (LEI): KG1FTTDCK4KNVM3OHB52**

Issue of USD 700,000 Equity Linked Notes due 2019

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.**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:**

**THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND, WITH EFFECT FROM SUCH DATE, SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE "EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:**

**(A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU AS AMENDED ("MIFID II");**

**(B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR**

**(C) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC, AS AMENDED.**

**CONSEQUENTLY, IF THE PRICING SUPPLEMENT IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA RETAIL INVESTORS", NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA HAS BEEN OR WILL BE PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.**

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:**

**SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:**

- 1. THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND**
- 2. ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.**

**ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.**

**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 REGULATIONS 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 29 JUNE 2018. 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 29 June 2018 and the supplements to the Offering Circular dated 12 September 2018, 10 October 2018 and 8 November 2018 (together 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 Euronext Dublin ([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.

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.

**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.

**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, 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.

**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:                    | 11208               |
|    | (ii) | Tranche Number:                   | 1                   |
| 3. |      | Specified Currency or Currencies: | U.S. Dollar ("USD") |

4. Aggregate Nominal Amount of the Notes:
- (i) Series: USD 700,000
  - (ii) Tranche: USD 700,000
5. Issue Price: 100 per cent. of par per Note
6. (i) Specified Denominations: USD 100,000
- (ii) Calculation Amount (Par): USD 100,000
7. (i) Issue Date: 24 December 2018
- (iv) Trade Date: 18 December 2018
- (v) Interest Commencement Date: Not Applicable
- (vi) Strike Date: 18 December 2018
- (vii) Determination Date: 23 December 2019
8. Maturity Date: 30 December 2019 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: Floating Rate.  
3 Month USD-LIBOR + 3.00 per cent.
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  
(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**") Single Index Notes  
MSCI World Index, sponsored by MSCI, Inc,  
(*Bloomberg*<sup>®</sup> code: MXWO Index)
- (ii) Exchange(s): Multi-Exchange is applicable
- (iii) Related Exchange(s): All Exchanges
- (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 Applicable

For details on the amount and calculation of the Interest, see item 15(B) below

(Condition 6)

- (i) Interest Payment Dates: 25 March 2019, 24 June 2019, 25 September 2019, 30 December 2019
- (ii) First Interest Payment Date: 25 March 2019
- (iii) Interest Period: As set out in Condition 2.1
- (iv) Business Day Convention: Following Business Day Convention
- (v) Specified Period: Not Applicable
- (vi) Additional Business Centre(s): New York
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): Determination Agent
- (ix) Screen Rate Determination: Applicable
  - (a) Reference Rate: 3 month USD-LIBOR
  - (b) Interest Determination Date(s): For the avoidance of doubt the following dates shall be defined as LIBOR Determination Date:  
18 December 2018, 18 March 2019, 18 June 2019, 18 September 2019
  - (c) Relevant Screen Page: Reuters LIBOR01
  - (d) Relevant Time: 11 a.m. London time
  - (e) Reference Banks: Not Applicable
  - (f) Relevant Financial Centre: New York
- (x) ISDA Determination: Not Applicable
- (xi) Margin(s): + 3.00 per cent. per annum
- (xii) Minimum Rate of Interest: Not Applicable

- (xiii) Maximum Rate of Interest: Not Applicable
- (xiv) Day Count Fraction: Act/360
- (xv) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: As per the Conditions
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: Applicable  
(Condition 10)
- (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 amount (the “**Interest Amount**”) per Calculation Amount shall be payable on the corresponding Specified Interest Payment Date<sub>n</sub> as determined by the Determination Agent as follows:
- (i) If since the Strike Date to the relevant Interest Determination Date (as defined in item 17 (ix) above), no Interest Trigger Event has occurred:
- Par \* (Reference Rate + Margin) (paid quarterly)
- (ii) Else, 0% of Par;



Where:

**“Interest Trigger Event”** a Trigger Event shall be deemed to have occurred on the first occasion during the Interest Observation Period that the Underlying One Day Fall is greater than 10 per cent.

Only one Interest Trigger Event can occur. For the avoidance of doubt, if during the Interest Observation Period there are multiple Underlying One Day Falls greater than 10 per cent., only the first occurrence of such a fall will be considered to be an Interest Trigger Event.

**“Underlying One Day Fall”** means, the performance of the Underlying Index calculated as follows:

$$(MXWO_{i-1} - MXWO_i) / MXWO_{i-1}$$

**“MXWO<sub>i</sub>”** means the official closing level of the Underlying Index on any Interest Observation Date i;

**“MXWO<sub>i-1</sub>”** means the official closing level of the Underlying Index on the Interest Observation Date i-1 immediately preceding Interest Observation Date i;

For the avoidance of doubt, during the Interest Observation Period, the Underlying One Day Fall occurring on the first Observation Day (i=1) shall be calculated as follows:

$$(MXWO_0 - MXWO_1) / MXWO_0$$

**“MXWO<sub>0</sub>”** means in respect of the Underlying Index, the official closing level on the Strike Date.

**“Trigger Event Date”** means the Scheduled Trading Day during the Interest Observation Period on which an Interest Trigger Event has occurred

**“Interest Observation Date”** each Scheduled Trading Day that is not a Disrupted Day during the Interest Observation Period; and

**“Interest Observation Period”** means each period from (and including) the Strike Date or LIBOR Interest Determination Date (where applicable) to (and excluding) the Interest Determination Date

- (v) Interest Determination Date(s): 18 March 2019, 18 June 2019, 18 September 2019 and 23 December 2019
- (iv) Provisions for determining Rate(s) of Interest and/or Interest Amount(s) where calculation by reference to Index is impossible or impracticable or otherwise Determination Agent determination.

disrupted:

	(v)	Interest Period:	As set out in Condition 2.1
	(vi)	Specified Interest Payment	See item 17 above
	Date(s):		
	(vi)	Averaging Date:	Not Applicable
	(vii)	Averaging Date Disruption:	Not Applicable
	(viii)	Observation Date(s):	Not Applicable
	(ix)	Observation Period:	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):	Not Applicable
	(xiii)	Day Count Fraction	Not Applicable
	(xiv)	Minimum Rate/Amount of Interest:	Not Applicable
	(xv)	Maximum Rate/Amount of Interest:	Not Applicable
	(xvi)	Other special terms and conditions:	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  (Condition 21.5)	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)	Single Index Notes/Index Basket Notes:	Applicable
(i)	Averaging Dates:	Not Applicable
(ii)	Averaging Date Disruption:	Not Applicable
(iii)	Observation Date(s):	Each Scheduled Trading Day that is not a Disrupted Day during the Observation Period
(iv)	Observation Period:	From (but excluding) the Strike Date to (and including) the Determination Date
(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 a Trigger Event has **not** occurred, the Final Redemption Amount shall be an amount in USD calculated as follows:

Par \*100%; OR

(ii) if a Trigger Event **has** occurred, the Final Redemption Amount shall be an amount in USD calculated as follows:

Par \* (100% - Gap Loss)

Where:

“**Gap Loss**” means an amount calculated as follows:

Min [100%, 10\*Max {0%, (Trigger Event Fall - 10%)}]

“**Trigger Event Fall**” means The Underlying One Day Fall- Redemption occurring on the Trigger Event Date

“**Underlying One Day Fall - Redemption**” means, the performance of the Underlying Index calculated as follows:

$(MXWO_{i+1} - MXWO_i) / MXWO_{i-1}$

“**MXWO<sub>i</sub>**” means the official closing level of the Underlying Index on any Observation Day i;

“**MXWO<sub>i-1</sub>**” means the official closing level of the Underlying Index on the Observation Day i-1 immediately preceding Observation Day i;

For the avoidance of doubt, during the Observation Period, the Underlying One Day Fall - Redemption occurring on the first Observation Day (i=1) shall be calculated as follows:

$(MXWO_0 - MXWO_i) / MXWO_0$

“**MXWO<sub>0</sub>**” means in respect of the Underlying Index, the official closing level on the Strike Date.

“**Trigger Event Date**” means the Scheduled Trading Day during the Observation Period on which a Trigger Event has occurred;

“**Trigger Event**” a Trigger Event shall be deemed to have occurred on the first occasion during the Observation Period that the Underlying One Day Fall-Redemption is greater than 10 per cent.

Only one Trigger Event can occur. For the avoidance of doubt, if during the Observation Period there are multiple Underlying One Day

Falls greater than 10 per cent., only the first occurrence of such a fall will be considered to be a Trigger Event.

- |     |        |                                                                                                                                                   |                                                                             |
|-----|--------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
|     | (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):                                                                                                                    | Not Applicable                                                              |
|     | (xiii) | Other special terms and conditions:                                                                                                               | None                                                                        |
| (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)/10.2(d)/10.4(a)(iii)/10.4(b)(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)/17.5/17.6: Fair Value Less Costs

(iii) Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons: Fair Value Less Costs

(Condition 21.3)

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 Market 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 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:

The Record Date is one Clearing System Business Day before the relevant due date for payment

46. Additional Financial Centre(s) or other special provisions relating to Payment Business Days:

New York

47. Determination Agent:

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.

48. Details relating to Partly Paid Notes: Not Applicable  
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:
49. Details relating to Instalment Notes: Not Applicable  
amount of each instalment, date on which  
each payment is to be made:
50. Redenomination, renominatisation and Not Applicable  
reconventioning provisions:
51. Restrictions on free transferability of the None  
Notes:
52. Inconvertibility Event Provisions: Not Applicable  
  
(Condition **Error! Reference source not  
found.**)
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 Not Applicable  
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)
- (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 Notes, the Issuer or the Dealer may pay to any intermediary a one time or recurring intermediary fee. Further information is available from the Distributor 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 the Global Exchange Market of Euronext Dublin 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.

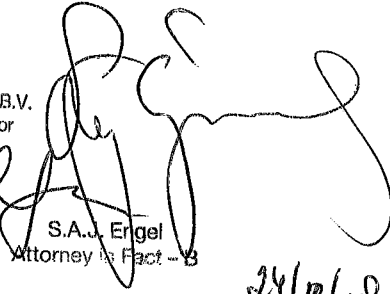
Signed on behalf of the Issuer:

By:

Duly authorised



TMF Management B.V.  
Managing Director



S.A.J. Engel  
Attorney-in-Fact - B

L.P.A. Rolfes  
Attorney-in-Fact A

24/12/18

## 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 Euronext Dublin 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 800

### 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

Further details on the Underlying can be found on Bloomberg® page:

Underlying	BBG Code
MSCI World Index	MXWO Index

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

### 4. OPERATIONAL INFORMATION

ISIN: XS1892093805

Common Code: 189209380

CFI: DTZXFR

FISIN: MORGAN STANLEY/ZERO CPNEMTN  
2019123

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. **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:** Applicable

7. **BENCHMARK REGULATION**

The Index is provided by the Index Sponsor. As at the date hereof, the Index Sponsor does not appear in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the Index Sponsor is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

## Annex 1

### **Statement concerning the MSCI World® Index**

The MSCI indexes are the exclusive property of MSCI Inc. ("MSCI"). MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by Morgan Stanley. The financial securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such financial securities. The termsheet contains a more detailed description of the limited relationship MSCI has with Morgan Stanley and any related financial securities. No purchaser, seller or holder of this product, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

## 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) To the extent that MSIP pays to you and/or any of your affiliates any fee, commission or non-monetary benefit (“**Remuneration**”), you represent and warrant to us each time you and/or any of your affiliates receive such Remuneration, that you and/or your affiliates are entitled to receive such Remuneration in accordance with all applicable laws, regulatory requirements, or regulation, contract, fiduciary obligations or otherwise). If, in relation to the Notes, you are providing investment advice on an independent basis or portfolio management to a potential investor, you will transfer any Remuneration received by from Morgan Stanley to the potential investor as soon as reasonably possible after receipt, in all cases as required by and in accordance with applicable laws and regulations.

If, for any reason and at any time, you and/or your affiliates are not entitled to receive and/or retain such Remuneration, you shall notify us immediately in writing.

To the extent that MSIP pays Remuneration to you and/or any of your affiliates, you represent and warrant that such Remuneration does not relate to and/or is not calculated in respect of an advised sale made to a retail client (as defined in the FCA Handbook) based in the United Kingdom (whether or not through agents acting on your or their behalf such as platforms, financial advisers and/or portfolio managers) or where you are undertaking portfolio management. You agree to inform the Issuer or Morgan Stanley of such distribution to UK retail clients.

You acknowledge that where Remuneration is payable, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such Remuneration;

- (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.