

MORGAN STANLEY
Form 424B2
September 27, 2018

CALCULATION OF REGISTRATION FEE

| <i>Title of Each Class of Securities Offered</i> | <i>Maximum Aggregate Offering Price</i> | <i>Amount of Registration Fee</i> |
|--|---|-----------------------------------|
| Contingent Income Auto- Callable Securities due 2033 | \$1,536,000 | \$191.23 |

September 2018

Pricing Supplement No. 960

Registration Statement Nos. 333-221595; 333-221595-01

Dated September 25, 2018

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest after the first four years. For the first

four years, the securities will pay a fixed quarterly coupon at the rate specified below. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** of the S&P 500[®] Index, EURO STOXX 50[®] Index and Russell 2000[®] Index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any** underlying index is **less than** its **initial index value** on any observation date after the first four years, we will pay no interest for the related quarterly period. However, if the index closing value of each underlying index is **greater than or equal to** its respective **initial index value** on an observation date after the first four years, investors will receive, in addition to the contingent quarterly coupon for that quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. In addition, starting five and a half years after the original issue date, the securities will be automatically redeemed if the index closing value of **each** underlying index is **greater than or equal to** its respective initial index value on any quarterly redemption determination date, for the early redemption payment equal to the sum of the stated principal amount plus the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid). At maturity, if the securities have not previously been redeemed and the final index value of **each** underlying index is **greater than or equal to** the downside threshold level of 50% of the respective **initial index value**, the payment at maturity will be the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the related contingent quarterly coupon and the previously unpaid contingent quarterly coupons. If, however, the final index value of **any** underlying index is **less than** its downside threshold level, investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is **less than 50%** of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any quarterly coupons after the first four years.** Because all payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective initial index value or respective downside threshold level, as applicable, of any underlying index will result in few or no contingent coupon payments or a significant loss of your investment, even if the other underlying indices have appreciated or have not declined as much. Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period. These long-dated securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly coupons after the first four years, with no possibility of being called out of the securities until after the initial 5.5-year non-call period. Investors will not participate in any appreciation of any underlying index. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

All payments are subject to our credit risk. If we default on our obligations, you could lose some or all of your investment. These securities are not secured obligations and you will not have any security interest in, or otherwise have any access to, any underlying reference asset or assets.

FINAL TERMS

| | |
|------------------------------------|---|
| Issuer: | Morgan Stanley Finance LLC |
| Guarantor: | Morgan Stanley |
| Underlying indices: | S&P 500 [®] Index (the "SPX Index"), EURO STOXX 50 [®] Index (the "SX5E Index") and Russell 2000 [®] Index (the "RTY Index") |
| Aggregate principal amount: | \$1,536,000 |
| Stated principal amount: | \$1,000 per security |
| Issue price: | \$1,000 per security (see "Commissions and issue price" below) |
| Pricing date: | September 25, 2018 |
| Original issue date: | September 28, 2018 (3 business days after the pricing date) |
| Maturity date: | September 29, 2033 |

Years 1-4: On each coupon payment date through September 2022, a fixed coupon at an annual rate of 8.00% (corresponding to approximately \$20.00 per quarter per security) is paid quarterly.

Years 5-15: Beginning with the December 2022 coupon payment date, a *contingent* coupon plus any previously unpaid contingent quarterly coupons with respect to any prior observation dates will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective initial index value on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 8.00% *per annum* for each interest payment period for each applicable observation date.

Quarterly coupon:

If the contingent quarterly coupon is not paid on any coupon payment date after the first four years (because the index closing value of any underlying index is less than its respective initial index value on the related observation date), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the index closing value of each underlying index on such later observation date is greater than or equal to its respective initial index value; *provided, however, in the case of any such payment of a previously unpaid contingent quarterly coupon, no additional interest shall accrue or be payable in respect of such unpaid contingent quarterly coupon from and after the end of the original interest period for such unpaid contingent quarterly coupon. You will not receive such unpaid contingent quarterly coupons if the index closing value of any underlying index is less than its respective initial index value on each subsequent observation date. If the index closing value of any underlying index is less than its respective initial index value on each observation date, you will not receive any quarterly coupons after the first four years.*

Payment at maturity:

Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period.

If the securities have not been automatically redeemed prior to maturity, that will necessarily mean that the index closing value of at least one underlying index was below its initial

index value on every quarterly observation date during the last nine and a half years of the term of the securities, and therefore no contingent quarterly coupon payments will have been made in the last nine and a half years of the term of the securities. In such a case, the payment at maturity will be determined as follows:

If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates.

If the final index value of **any** underlying index is **less than** its respective downside threshold level, investors will receive (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

Terms continued on the following page

Morgan Stanley & Co. LLC (“MS & Co.”), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See “Supplemental information regarding plan of distribution; conflicts of interest.”

Agent:

Estimated value on the pricing date:

\$919.40 per security. See “Investment Summary” beginning on page 4.

Commissions and issue price:

Per security

Total

Price to public⁽¹⁾ Agent’s commissions⁽²⁾ Proceeds to us⁽³⁾

\$1,000

\$40

\$960

\$1,536,000

\$61,440

\$1,474,560

(1) The price to public for investors purchasing the securities in fee-based advisory accounts will be \$970 per security.

Selected dealers and their financial advisors will collectively receive from the agent, Morgan Stanley & Co. LLC., a fixed sales commission of \$40 for each security they sell; provided that dealers selling to investors purchasing (2) the securities in fee-based advisory accounts will receive a sales commission of \$10 per security. See “Supplemental information regarding plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement.

(3)

See “Use of proceeds and hedging” on page 32.

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 15.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying product supplement, index supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality, nor are they obligations of, or guaranteed by, a bank.

You should read this document together with the related product supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see “Additional Information About the Securities” at the end of this document.

As used in this document, “we,” “us” and “our” refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

[Product Supplement for Auto-Callable Securities dated November 16, 2017](#)

[Index Supplement dated November 16, 2017](#)

[Prospectus dated November 16, 2017](#)

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Terms continued from previous page:

Early redemption: **The securities are not subject to automatic early redemption until five and a half years after the original issue date.** Following the initial 5.5-year non-call period, if, on any redemption determination date, beginning on March 25, 2024, the index closing value of **each** underlying index is **greater than or equal to** its respective initial index value, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed.

Early redemption payment: **The securities will not be redeemed early on any early redemption date if the index closing value of any underlying index is below the respective initial index value for such underlying index on the related redemption determination date.**

The early redemption payment will be an amount equal to (i) the stated principal amount for each security you hold *plus* (ii) the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

Redemption determination dates: Quarterly, beginning on March 25, 2024, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below, subject to postponement for non-index business days and certain market disruption events.

Early redemption dates: Quarterly, beginning on March 28, 2024, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below. If any such day is not a business day, that early redemption payment will be made on the next succeeding business day and no adjustment will be made to any early redemption payment made on that succeeding business day

With respect to the SPX Index: 1,457.78, which is 50% of its initial index value

Downside threshold level: With respect to the SX5E Index: 1,709.89, which is 50% of its initial index value

With respect to the RTY Index: 854.403, which is approximately 50% of its initial index value
With respect to the SPX Index: 2,915.56, which is its index closing value on the pricing date

Initial index value: With respect to the SX5E Index: 3,419.78, which is its index closing value on the pricing date

With respect to the RTY Index: 1,708.805, which is its index closing value on the pricing date

Final index value: With respect to each index, the respective index closing value on the final observation date

Worst performing underlying: The underlying index with the largest percentage decrease from the respective initial index value to the respective final index value

Index

performance factor: Final index value *divided by* the initial index value

Coupon payment dates:

Quarterly, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below. If any such day is not a business day, that coupon payment will be made on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day. The contingent quarterly coupon, if any, with respect to the final observation date will be paid on the maturity date

Observation dates:

Quarterly, beginning on December 27, 2022, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below, subject to postponement for non-index business days and certain market disruption events. We also refer to September 26, 2033 as the final observation date.

CUSIP / ISIN: 61768DEC5 / US61768DEC56

Listing: The securities will not be listed on any securities exchange.

Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates

Observation Dates / Redemption Determination Dates Coupon Payment Dates / Early Redemption Dates

| | |
|---------------------|---------------------|
| N/A | January 3, 2019* |
| N/A | March 28, 2019* |
| N/A | June 28, 2019* |
| N/A | September 30, 2019* |
| N/A | January 3, 2020* |
| N/A | March 30, 2020* |
| N/A | June 30, 2020* |
| N/A | September 30, 2020* |
| N/A | January 4, 2021* |
| N/A | March 30, 2021* |
| N/A | June 30, 2021* |
| N/A | September 30, 2021* |
| N/A | December 30, 2021* |
| N/A | March 30, 2022* |
| N/A | June 30, 2022* |
| N/A | September 29, 2022* |
| December 27, 2022* | December 30, 2022* |
| March 27, 2023* | March 30, 2023* |
| June 26, 2023* | June 29, 2023* |
| September 25, 2023* | September 28, 2023* |
| December 27, 2023* | January 2, 2024* |
| March 25, 2024 | March 28, 2024 |
| June 25, 2024 | June 28, 2024 |
| September 25, 2024 | September 30, 2024 |
| December 27, 2024 | January 3, 2025 |
| March 25, 2025 | March 28, 2025 |

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Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the EURO STOXX 50® Index and the Russell 2000® Index

Principal at Risk Securities

| | |
|---|------------------------------------|
| June 25, 2025 | June 30, 2025 |
| September 25, 2025 | September 30, 2025 |
| December 29, 2025 | January 5, 2026 |
| March 25, 2026 | March 30, 2026 |
| June 25, 2026 | June 30, 2026 |
| September 25, 2026 | September 30, 2026 |
| December 28, 2026 | January 4, 2027 |
| March 25, 2027 | April 1, 2027 |
| June 25, 2027 | June 30, 2027 |
| September 27, 2027 | September 30, 2027 |
| December 27, 2027 | December 30, 2027 |
| March 27, 2028 | March 30, 2028 |
| June 26, 2028 | June 29, 2028 |
| September 25, 2028 | September 28, 2028 |
| December 27, 2028 | January 2, 2029 |
| March 26, 2029 | March 29, 2029 |
| June 25, 2029 | June 28, 2029 |
| September 25, 2029 | September 28, 2029 |
| December 27, 2029 | January 3, 2030 |
| March 25, 2030 | March 28, 2030 |
| June 25, 2030 | June 28, 2030 |
| September 25, 2030 | September 30, 2030 |
| December 27, 2030 | January 3, 2031 |
| March 25, 2031 | March 28, 2031 |
| June 25, 2031 | June 30, 2031 |
| September 25, 2031 | September 30, 2031 |
| December 29, 2031 | January 5, 2032 |
| March 25, 2032 | April 1, 2032 |
| June 25, 2032 | June 30, 2032 |
| September 27, 2032 | September 30, 2032 |
| December 27, 2032 | December 30, 2032 |
| March 25, 2033 | March 30, 2033 |
| June 27, 2033 | June 30, 2033 |
| September 26, 2033 (final observation date) | September 29, 2033 (maturity date) |

* The securities are not subject to automatic early redemption until the 22nd coupon payment date, which is March 28, 2024.

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index (the “securities”) do not provide for the regular payment of interest after the first four years. For the first four years, the securities will pay a fixed quarterly coupon at the rate specified below. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** underlying index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any underlying index** is **less than** its **initial index value** on any observation date after the first four years, we will pay no interest for the related quarterly period. However, if the index closing value of each underlying index is **greater than or equal to** its respective **initial index value** on an observation date, investors will receive, in addition to the contingent quarterly coupon for that quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. You will not receive such unpaid contingent quarterly coupon if the index closing value of **any underlying index** is **less than** its respective **initial index value** on each subsequent observation date. If the index closing value of **any underlying index** is **less than** its respective **initial index value** on each observation date, you will not receive any contingent quarterly coupon after the first four years. We refer to the quarterly coupons after the first four years as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date after the first four years. Even if each underlying index were to be at or above its respective initial index values on some quarterly observation dates after the first four years, one or more underlying indices may fluctuate below the respective initial index value(s) on others, and they may not each close at or above their respective initial index values on any subsequent observation date, in which case you will not receive payment of any previously unpaid contingent quarterly coupons. In addition, if the securities have not been automatically called prior to maturity and the final index value of **any underlying index** is **less than 50%** of the respective initial index value, which we refer to as the downside threshold level, investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons after the first four years.**

Maturity: Approximately 15 years

Years 1-4: On each coupon payment date through September 2022, a fixed coupon at an annual rate of 8.00% (corresponding to approximately \$20.00 per quarter per security) is paid quarterly.

Years 5-15: Beginning with the December 2022 coupon payment date, a *contingent* coupon plus any previously unpaid contingent quarterly coupons with respect to any prior observation dates will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective initial index value on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 8.00% *per annum* for each interest payment period for each applicable observation date.

Quarterly
coupon:

If the contingent quarterly coupon is not paid on any coupon payment date after the first four years (because the index closing value of any underlying index is less than its respective initial index value on the related observation date), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the index closing value of each underlying index on such later observation date is greater than or equal to its respective initial index value. You will not receive such unpaid contingent quarterly coupon if the index closing value of any underlying index is less than its respective initial index value on each subsequent observation date. If the index closing value of any underlying index is less than its respective initial index value on each observation date, you

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

will not receive any quarterly coupon after the first four years.

Automatic early redemption starting after 5.5 years: Starting after 5.5 years, if the index closing value of **each** underlying index is **greater than or equal to** its initial index value on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid). No further payments will be made on the securities once they have been redeemed.

If the securities have not been automatically redeemed prior to maturity, that will necessarily mean that the index closing value of at least one underlying index was below its initial index value on every quarterly observation date during the last nine and a half years of the term of the securities, and therefore no contingent quarterly coupon payments will have been made in the last nine and a half years of the term of the securities. In such a case, the payment at maturity will be determined as follows:

Payment at maturity: If the final index value of **each** underlying index is **greater than or equal to** the respective downside threshold level, investors will receive at maturity the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates.

If the final index value of **any underlying index** is **less than** its downside threshold level, investors will receive a payment at maturity equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero. No quarterly coupon will be payable at maturity, and investors will not receive payment of the previously unpaid contingent quarterly coupons. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.**

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

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Principal at Risk Securities

The original issue price of each security is \$1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than \$1,000. We estimate that the value of each security on the pricing date is \$919.40.

What goes into the estimated value on the pricing date?

In valuing the securities on the pricing date, we take into account that the securities comprise both a debt component and a performance-based component linked to the underlying indices. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying indices, instruments based on the underlying indices, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the quarterly coupon rate and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

What is the relationship between the estimated value on the pricing date and the secondary market price of the securities?

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully

deducted upon issuance, for a period of up to 18 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

MS & Co. may, but is not obligated to, make a market in the securities, and, if it once chooses to make a market, may cease doing so at any time.

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Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Key Investment Rationale

The securities provide for fixed quarterly coupon payments at the rate specified herein for the first four years. Thereafter, the securities do not provide for the regular payment of interest and instead will pay a contingent quarterly coupon **but only if** the index closing value of each underlying index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any underlying index** is **less than** the respective **initial index value** on any observation date after the first four years, we will pay no interest for the related quarterly period. However, if the index closing value of **each** underlying index is **greater than or equal to** its respective **initial index value** on an observation date, investors will receive, in addition to the contingent quarterly coupon for that quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly coupons after the first four years, with no possibility of being called out of the securities until after the initial 5.5-year non-call period. Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period.

The following scenarios are for illustrative purposes only to demonstrate how the coupon and the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed, the contingent coupon may be payable in none of, or some but not all of, the quarterly periods after the first four years and the payment at maturity may be less than 50% of the stated principal amount of the securities and may be zero.

Scenario 1: The securities are redeemed prior to maturity Investors receive the 8.00% per annum fixed quarterly coupon for each interest period during the first four years of the term of the securities. Investors receive the contingent quarterly coupon, corresponding to a return of 8.00% per annum, as well as any previously unpaid contingent quarterly coupons from prior observation dates, for the quarterly periods for which each index closing value is at or above the respective initial index value on the related observation date after the first four years of the term of the securities, but not for the quarterly periods for which any index closing value is below the respective initial index value on the related observation date.

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Starting after 5.5 years, when each underlying index closes at or above its initial index value on a quarterly redemption determination date, the securities will be automatically redeemed for the stated principal amount *plus* the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

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Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due September 29, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Investors receive the 8.00% per annum fixed quarterly coupon for each interest period during the first four years of the term of the securities. During the subsequent two and a half years, investors receive the contingent quarterly coupon, as well as any previously unpaid contingent quarterly coupons, for each quarterly period for which the index closing value of each underlying index is at or above the respective initial index value on the related observation date, but not for the quarterly periods for which the index closing value of any underlying index is below the respective initial index value on the related observation date.

Scenario 2: The securities are not redeemed prior to maturity, and investors receive principal back at maturity

This scenario assumes that each underlying index closes below the respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed prior to maturity. Because the securities were not automatically redeemed prior to maturity, the index closing value of at least one underlying index must have been below the respective initial index value on every quarterly observation date during the last nine and a half years of the term of the securities. Therefore, investors do not receive any coupon payments in the last nine and a half years of the term of the securities.

On the final observation date, each underlying index closes at or above its downside threshold level. At maturity, investors will receive the stated principal amount. If the final index value of each underlying index is also greater than or equal to its respective initial index value, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates. Note that in order for this to occur, the final index values of **each** underlying index would have to be greater than or equal to its respective **initial index value**, although the index closing value of at least one underlying index was below its initial index value on every prior quarterly observation date during the last nine and a half years of the term of the securities.

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity

Investors receive the 8.00% per annum fixed quarterly coupon for each interest period during the first four years of the term of the securities. During the last nine and a half years, investors receive the contingent quarterly coupon, as well as any previously unpaid contingent quarterly coupons, for each quarterly period for which the index closing value of each underlying index is at or above the respective initial index value on the related observation date, but not for the quarterly periods for which the index closing value of any underlying index is below the respective initial index value on the related observation date.

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This scenario assumes that each underlying index closes below the respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed prior to maturity. Because the securities were not automatically redeemed prior to maturity, the index closing value of at least one underlying index must have been below the respective initial index value on every quarterly observation date during the last nine and a half years of the term of the securities. Therefore, investors do not receive any coupon payments in the last nine and a half years of the term of the securities.

On the final observation date, one or more underlying indices close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount and could be zero. No coupon will be paid at maturity in this scenario. Additionally, investors will not receive the contingent quarterly coupon with respect to the final observation date, and will not receive payment of the previously unpaid contingent quarterly coupons from the prior observation dates.

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Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the index closing values on each quarterly observation date, (2) the index closing values on each quarterly redemption determination date (starting after 5.5 years) and (3) the final index values. Please see “Hypothetical Examples” beginning on page 10 for illustration of hypothetical payouts on the securities.

Diagram #1: Contingent Quarterly Coupons After the First Four Years (Beginning with the December 2022 Coupon Payment Date until Early Redemption or Maturity)

Diagram #2: Automatic Early Redemption (Starting after 5.5 Years)

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Principal at Risk Securities

Diagram #3: Payment at Maturity if No Automatic Early Redemption Occurs

For more information about the payout upon an early redemption or at maturity in different hypothetical scenarios, see “Hypothetical Examples” starting on page 11.

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Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent quarterly coupon is paid with respect to an observation date and how to calculate the payment at maturity if the securities have not been automatically redeemed early. The following examples are for illustrative purposes only. For the first four years, you will receive a fixed quarterly coupon at a rate of 8.00% per annum, regardless of the performance of the underlying indices. Whether you receive a contingent quarterly coupon after the first four years will be determined by reference to the index closing value of each underlying index on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final index value of each underlying index on the final observation date. The actual initial index value and downside threshold level for each underlying index are set forth on the cover of this document. All payments on the securities are subject to our credit risk. The numbers in the hypothetical examples below may have been rounded for the ease of analysis. The below examples are based on the following terms:

Years 1-4: On each coupon payment date through September 2022, a fixed coupon at an annual rate of 8.00% (corresponding to approximately \$20.00 per quarter per security*) is paid quarterly.

Quarterly Coupon: Years 5-15: Beginning with the December 2022 coupon payment date, a *contingent* coupon plus any previously unpaid contingent quarterly coupons with respect to any prior observation dates will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective initial index value on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 8.00% *per annum* for each interest payment period for each observation date (corresponding to approximately \$20.00 per quarter per security*).

Automatic Early Redemption (starting after 5.5 years): If the index closing value of **each** underlying index is greater than or equal to its **initial index value** on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

Payment at Maturity (if the securities have not been automatically value of **each** underlying index is also **greater than or equal to** its respective **initial index**

redeemed early): **value**, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates.

If the final index value of **any underlying index** is **less than** its respective downside threshold level, investors will receive (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

Stated Principal Amount:

\$1,000

With respect to the SPX Index: 2,000

Hypothetical Initial Index Value:

With respect to the SX5E Index: 3,000

With respect to the RTY Index: 1,200

With respect to the SPX Index: 1,000, which is 50% of the hypothetical initial index value for such index

Hypothetical Downside Threshold Level:

With respect to the SX5E Index: 1,500, which is 50% of the hypothetical initial index value for such index

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Principal at Risk Securities

With respect to the RTY Index: 600, which is 50% of the hypothetical initial index value for such index

* The actual quarterly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 basis. The hypothetical contingent quarterly coupon of \$20.00 is used in these examples for ease of analysis.

How to determine whether a contingent quarterly coupon is payable with respect to an observation date during years 5-15:

| | Index Closing Value | | | Contingent Quarterly Coupon |
|---------------------------------|---|---|---|---|
| | SPX Index | SX5E Index | RTY Index | |
| Hypothetical Observation Date 1 | 2,300 (at or above the initial index value) | 3,800 (at or above the initial index value) | 1,750 (at or above the initial index value) | \$20.00 |
| Hypothetical Observation Date 2 | 1,100 (below the initial index value) | 3,400 (at or above the initial index value) | 1,400 (at or above the initial index value) | \$0 |
| Hypothetical Observation Date 3 | 2,450 (at or above the initial index value) | 3,300 (at or above the initial index value) | 1,300 (at or above the initial index value) | Contingent quarterly coupon with respect to hypothetical observation date 3 and the previously unpaid contingent quarterly coupon with respect to hypothetical observation date 2 = \$20.00 + \$20.00 = \$40.00 |
| Hypothetical Observation Date 4 | 1,100 (below the initial index value) | 2,800 (below the initial index value) | 800 (below the initial index value) | \$0 |

On hypothetical observation date 1, each underlying index closes at or above its respective initial index value. Therefore a contingent quarterly coupon of \$20.00 is paid on the relevant coupon payment date.

On hypothetical observation date 2, two underlying indices close at or above their initial index values, but the other underlying index closes below its initial index value. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 3, each underlying index closes at or above its respective initial index value. Therefore a contingent quarterly coupon of \$20.00 and the previously unpaid contingent quarterly coupon with respect to hypothetical observation date 2 are paid on the relevant coupon payment date.

On hypothetical observation date 4, each underlying index closes below its respective initial index value, and, accordingly, no contingent quarterly coupon is paid on the relevant coupon payment date.

If the contingent quarterly coupon is not paid on any coupon payment date (because the index closing value of any underlying index is less than its respective initial index value on the related observation date), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the index closing value of each underlying index on such later observation date is greater than or equal to its respective initial index value. You will not receive such unpaid contingent quarterly coupons if the index closing value of any underlying index is less than its respective initial index value on each subsequent observation date. If the index closing value of any underlying index is less than its respective initial index value on each observation date, you will not receive any quarterly coupons after the first four years.

How to calculate the payment at maturity (if the securities have not been automatically redeemed):

Starting in March 2024, if the index closing value of each underlying index is greater than or equal to its respective initial index value on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to (i) the stated principal amount for each security you hold *plus* (ii) the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

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Principal at Risk Securities

The examples below illustrate how to calculate the payment at maturity if the securities have not been automatically redeemed prior to maturity. If no early redemption has taken place prior to the maturity date, that will necessarily mean that no contingent quarterly coupon payments will have been made in years 5.5 through 15 of the term of the securities.

Final
Index
Value