MORGAN STANLEY
Form 424B2
November 21, 2018

The information in this pricing supplement is not complete and may be changed. We may not deliver these securities until a final pricing supplement is delivered. This pricing supplement and the accompanying prospectus and prospectus supplement do not constitute an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Preliminary Pricing Supplement dated November 21, 2018

PROSPECTUS Dated November 16, 2017

PROSPECTUS SUPPLEMENT Dated November 16, 2017

Pricing Supplement No. 1,231 to
Registration Statement Nos. 333-221595; 333-221595-01
Dated November , 2018
Rule 424(b)(2)

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Morgan Stanley Finance LLC

GLOBAL MEDIUM-TERM NOTES, SERIES A
Senior Notes

Autocallable Quarterly Review Notes due May 27, 2019

Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The Autocallable Quarterly Review Notes due May 27, 2019 Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts, which we refer to as the securities, are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. Unlike ordinary debt securities, the securities do not pay interest and do not guarantee the return of any principal at maturity. If the price of West Texas Intermediate light sweet crude oil futures contracts ("WTI crude oil"), which we refer to as the underlying commodity, on the review date is at or above the initial commodity price, the securities will be automatically called for a fixed cash payment of $1,070 per security, which we refer to as the call price. ***If the securities are not called prior to maturity, you will receive at maturity for each security you hold an amount in cash that will vary depending on the final commodity price, and which may be significantly less than the stated principal amount of the securities and could be zero.*** *The securities are for investors who are willing to risk their principal and forgo current income in exchange for the possibility of receiving a call price or payment at maturity greater than the stated principal amount, if the commodity price on the review date or the final commodity price, as applicable, is at or above the initial commodity price, and, if the securities have not been called, in exchange for limited protection against loss at maturity, but only if the final commodity price has not declined by more than 20% from the initial commodity price. The securities are notes issued as part of Morgan Stanley Finance LLC'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.

- *The stated principal amount and original issue price of each security is $1,000.*
- *We will not pay interest on the securities.*
- *If, on the review date, which is February 22, 2019, the commodity price is **at or above** the initial commodity price, the securities will be automatically called on the third business day following the review date for the call price of $1,070 (corresponding to 107.00% of the stated principal amount).*
- *At maturity, if the securities have not previously been called, you will receive for each security that you hold an amount of cash equal to:*
  - *if the final commodity price is **at or above** the initial commodity price: $1,140 (corresponding to 114.00% of the stated principal amount),*
  - *if the final commodity price is less than the initial commodity price but is greater than or equal to $, which means it has **not** declined **by more than 20%** from the initial commodity price: the $1,000 stated principal amount of the securities, or*
  - *if the final commodity price is less than $, which means it has declined by more than 20% from the initial commodity price: $1,000 + ($1,000 x commodity percent change).*
  There is no minimum payment at maturity on the securities. Accordingly, you could lose your entire initial investment in the securities.
- *The initial commodity price is $, which is the commodity price on November 21, 2018, which is the day we price the securities for initial sale to the public, which we refer to as the pricing date.*
- *The final commodity price will equal the commodity price on the final determination date.*
- *The final determination date is May 22, 2019.*
- *The review date and the final determination date are each subject to postponement for non-trading days and certain market disruption events.*
- *The commodity percent change is equal to: (final commodity price – initial commodity price) / initial commodity price*
- *Investing in the securities is not equivalent to investing directly in WTI crude oil or in futures contracts or forward contracts on WTI crude oil.*
- *The securities will not be listed on any securities exchange.*
- *The estimated value of the securities on the pricing date is approximately $984.20, or within $19.20 of that estimate. See "Summary of Pricing Supplement" beginning on PS-3*
- *The CUSIP number for the securities is 61766YDK4. The ISIN for the securities is US61766YDK47.*

You should read the more detailed description of the securities in this pricing supplement. In particular, you should review and understand the descriptions in "Summary of Pricing Supplement" and "Description of Securities."

The securities are riskier than ordinary debt securities. Securities linked to the performance of a single commodity are subject to the volatility and other risks associated with that commodity. See "Risk Factors" beginning on PS-10.

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

PRICE $1,000 PER SECURITY

	Price to public[(1)]	*Agent's commissions and fees*[(1)(2)]	*Proceeds to us*[(3)]
Per security	*100%*	*$5*	*$995*
Total	*$*	*$*	*$*

(1) *J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A. will act as placement agents for the securities. The placement agents will forgo fees for sales to certain fiduciary accounts. The total fees represent the amount that the placement agents receive from sales to accounts other than such fiduciary accounts. The placement agents will receive a fee from the Issuer or one of its affiliates that will not exceed $5 per $1,000 principal amount of securities.*

(2) *Please see "Description of Securities—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest" in this pricing supplement for information about fees and commissions.*

(3) *See "Description of Securities—Use of Proceeds and Hedging" beginning on PS-26.*

The agent for this offering, Morgan Stanley & Co. LLC, is an affiliate of MSFL and a wholly-owned subsidiary of Morgan Stanley. See "Description of Securities—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest" in this pricing supplement.

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.

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.

Morgan Stanley

For a description of certain restrictions on offers, sales and deliveries of the securities and on the distribution of this pricing supplement and the accompanying prospectus supplement and prospectus relating to the securities, see the section of this pricing supplement called "Description of Securities—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest."

No action has been or will be taken by us, the agent or any dealer that would permit a public offering of the securities or possession or distribution of this pricing supplement or the accompanying prospectus supplement or prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Neither this pricing supplement nor the accompanying prospectus supplement and prospectus may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

In addition to the selling restrictions set forth in "Plan of Distribution (Conflicts of Interest)" in the accompanying prospectus supplement, the following selling restrictions also apply to the securities:

The securities have not been and will not be registered with the Comissão de Valores Mobiliários (The Brazilian Securities Commission). The securities may not be offered or sold in the Federative Republic of Brazil except in circumstances which do not constitute a public offering or distribution under Brazilian laws and regulations.

The securities have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered or sold publicly in Chile. No offer, sales or deliveries of the securities or distribution of this pricing supplement or the accompanying prospectus supplement or prospectus, may be made in or from Chile except in circumstances which will result in compliance with any applicable Chilean laws and regulations.

The securities have not been registered with the National Registry of Securities maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This pricing supplement and the accompanying prospectus supplement and prospectus may not be publicly distributed in Mexico.

SUMMARY OF PRICING SUPPLEMENT

The following summary describes the Autocallable Quarterly Review Notes due May 27, 2019 Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts, which we refer to as the securities, we are offering to you in general terms only. You should read the summary together with the more detailed information that is contained in the rest of this pricing supplement and in the accompanying prospectus and prospectus supplement. You should carefully consider, among other things, the matters set forth in "Risk Factors."

The securities offered are medium-term debt securities of MSFL and are fully and unconditionally guaranteed by Morgan Stanley. The return on the securities is linked to the performance of West Texas Intermediate light sweet crude oil futures contracts ("WTI crude oil"), which we refer to as the underlying commodity. The securities are for investors who are willing to risk their principal and forgo current income in exchange for the possibility of receiving a call price or payment at maturity greater than the stated principal amount, if the commodity price on the review date or the final commodity price, as applicable, is at or above the initial commodity price, and, if the securities have not been called, in exchange for limited protection against loss at maturity, but only if the final commodity price has not declined by more than 20% from the initial commodity price. The securities do not guarantee the return of any principal at maturity and all payments on the securities are subject to our credit risk.

The securities are riskier than ordinary debt securities. Securities linked to the performance of a single commodity are subject to the volatility and other risks associated with that commodity. "See "Risk Factors" beginning on page 10.

Each security costs $1,000

We are offering Autocallable Quarterly Review Notes due May 27, 2019 Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts, which we refer to as the securities. The stated principal amount and issue price of each security is $1,000.

The original issue 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 will be less than $1,000. We estimate that the value of each security on the pricing date will be approximately $984.20, or within $19.20 of that estimate. Our estimate of the value of the securities as determined on the pricing date will be set forth in the final pricing supplement.

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 commodity. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying commodity, instruments based on the underlying commodity, 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 commodity price that will result in the securities being called on the call date and the call price, 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 Morgan Stanley & Co. LLC, which we refer to as MS & Co.,

purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying commodity, 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.

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.

The securities do not guarantee repayment of any principal at maturity; no interest

Unlike ordinary debt securities, the securities do not pay interest and do not guarantee the repayment of any of the principal at maturity. If the securities have not been called prior to maturity and the final commodity price has declined by more than 20% from the initial commodity price, you will be fully exposed to the negative performance of the underlying commodity, and you will lose 1% of your principal amount for every 1% decline in the final commodity price from the initial commodity price. For example, if the final commodity price declines by 50% from the initial commodity price, you will lose 50% of your principal. **There is no minimum payment at maturity on the securities. Accordingly, you could lose your entire initial investment in the securities.**

The securities will be automatically called if the commodity price on the review date is at or above the initial commodity price

If the commodity price on the review date, which is February 22, 2019, is at or above the initial commodity price, the securities will be automatically called for the call price on the third business day following the review date, which we refer to as a call date. The call price will be an amount of cash equal to $1,070 per security (corresponding to 107.00% of the stated principal amount).

The review date is subject to postponement for non-trading days and certain market disruption events as described under "Description of Securities—Review Date."

At maturity, if the securities have not previously been called, you will receive for each $1,000 stated principal amount of securities that you hold an amount of cash that will vary depending on the final commodity price, and will be equal to:

If the securities are not automatically called prior to maturity, the payment at maturity will vary depending on the final commodity price

- if the final commodity price is **at or above** the initial commodity price: $1,140 (corresponding to 114.00% of the stated principal amount),

- if the final commodity price is less than the initial commodity price but is greater than or equal to $, which means it has **not** declined **by more than 20%** from the initial commodity price: the $1,000 stated principal amount of the securities, or

- if the final commodity price is less than $, which means it has declined **by more than 20%** from the initial commodity price:

$1,000 + ($1,000 x commodity percent change)

where,

$$\text{commodity percent change} = \frac{\text{final commodity price} - \text{initial commodity price}}{\text{initial commodity price}}$$

PS-4

initial commodity price	=	the commodity price on November 21, 2018, which is the day we price the securities for initial sale to the public, which we refer to as the pricing date
final commodity price	=	the commodity price on the final determination date
final determination date	=	May 22, 2019, subject to postponement for non-trading days and certain market disruption events as described under "Description of Securities—Final Determination Date"
commodity price	=	on any trading day, the official settlement price per barrel of WTI crude oil on the NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. (the "NYMEX Division") of the first nearby month futures contract, stated in U.S. dollars, as made public by the NYMEX Division on such date; *provided* that if such date falls on the last trading day of such futures contract (all pursuant to the rules of the NYMEX Division), then the second nearby month futures contract on such date.

If the final commodity price declines by more than 20% from the initial commodity price, you will be fully exposed to the decline in the final commodity price from the initial commodity price. There is no minimum payment at maturity on the securities. Accordingly, you could lose your entire initial investment in the securities.

All payments on the securities upon an automatic early call or at maturity are subject to our credit risk.

Beginning on PS-9, we have provided examples titled "Hypothetical Payouts on the Securities upon Automatic Call or at Maturity," which explain in more detail the possible payouts on the securities on the call date and at maturity assuming a variety of hypothetical commodity prices for the review date and hypothetical final commodity prices, as applicable. The hypothetical examples do not show every situation that can occur.

You can review the historical prices of the underlying commodity in the section of this pricing supplement called "Description of Securities—Historical Information" starting on PS-24. **You cannot predict the future price of the underlying commodity based on its historical prices.**

Investing in the securities is not equivalent to investing directly in WTI crude oil or in futures contracts or forward contracts on WTI crude oil.

The appreciation potential of the securities is limited by the fixed	The appreciation potential of the securities is limited to the fixed return specified for the review date and at maturity, regardless of any greater price performance of

returns specified for the call date and at maturity and by the automatic early call feature	the underlying commodity, which could be significant. In addition, the automatic early call feature may limit the term of your investment to as short as three months. If the securities are called prior to maturity, you may not be able to reinvest at comparable terms or returns.
Investing in the securities is not equivalent to	Investing in the securities is not equivalent to investing directly in WTI crude oil or in futures contracts or in forward contracts on WTI crude oil. By purchasing the

investing directly in WTI crude oil or in futures contracts or forward contracts on WTI crude oil	securities, you do not purchase any entitlement to WTI crude oil or futures contracts or forward contracts on WTI crude oil. Further, by purchasing the securities, you are assuming our credit risk and not that of any counter-party to futures contracts or forward contracts on the underlying commodity.
Concentrated investment in WTI crude oil futures contracts	All payments on the securities are linked exclusively to the price of WTI crude oil futures contracts and not to a diverse basket of commodities or a broad-based commodity index. Therefore, the securities carry greater risk and may be more volatile than a security linked to the prices of multiple commodities or a broad-based commodity index.
Postponement of maturity date	If, due to a market disruption event or otherwise, the final determination date is postponed so that it falls less than two business days prior to the scheduled maturity date, the maturity date will be the second business day following the final determination date as postponed. See "Description of Securities—Maturity Date."
Morgan Stanley Capital Group Inc. will be the calculation agent	We have appointed our affiliate, Morgan Stanley Capital Group Inc., which we refer to as MSCG, to act as calculation agent for The Bank of New York Mellon, a New York banking corporation, the trustee for our senior notes. As calculation agent, MSCG will determine the initial commodity price, the commodity price on the review date, the final commodity price, whether the commodity price on the review date is at or above the initial commodity price and therefore whether the securities will be called following such review date and whether a market disruption event has occurred, and, if the securities are not called prior to maturity, will calculate the amount of cash, if any, you will receive at maturity.
Morgan Stanley & Co. LLC will be the agent; conflicts of interest	The agent for the offering of the securities, MS & Co., a wholly owned subsidiary of Morgan Stanley and an affiliate of MSFL, will conduct this offering in compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of the securities of an affiliate and related conflicts of interest. MS & Co. or any of our other affiliates may not make sales in this offering to any discretionary account. See "Description of Securities—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest."
You may revoke your offer to purchase the securities prior to our acceptance	We are using this pricing supplement to solicit from you an offer to purchase the securities. You may revoke your offer to purchase the securities at any time prior to the time at which we accept such offer by notifying the relevant agent. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. In the event of any material changes to the terms of the securities, we will notify you.
Where you can find more information on the securities	The securities are unsecured debt securities issued as part of our Series A medium-term note program. You can find a general description of our Series A medium-term note program in the accompanying prospectus supplement dated November 16, 2017 and prospectus dated November 16, 2017. We describe the basic features of this type of security in the section of the prospectus supplement called "Description of Notes—Notes Linked to Commodity Prices, Single Securities, Baskets of Securities or Indices" and in the section of the prospectus called "Description of Debt Securities—Fixed Rate Debt Securities."

For a detailed description of the terms of the securities, you should read the section of this pricing supplement called "Description of Securities." You should also read about some of the risks involved in investing in the securities in the section of this pricing supplement called "Risk Factors." The tax and

accounting treatment of investments in commodity-linked securities such as the securities may differ from that of investments in ordinary debt securities. See the section of this pricing supplement called "Description of Securities—United States Federal Taxation." We urge you to consult with your investment, legal, tax, accounting and other advisers with regard to any proposed or actual investment in the securities.

How to reach us	Morgan Stanley Wealth Management clients may contact their local Morgan Stanley branch office or Morgan Stanley's principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (866) 477-4776). All other clients may contact their local brokerage representative. Third-party distributors may contact Morgan Stanley Structured Investment Sales at (800) 233-1087.

HOW THE SECURITIES WORK

The following diagrams illustrate the potential outcomes for the securities depending on the commodity price on the review date and the final commodity price, as applicable.

Diagram #1: Automatic Early Call (February 2019)

Diagram #2: Payment at Maturity if No Automatic Early Call Occurs

HYPOTHETICAL PAYOUTS ON THE SECURITIES UPON AUTOMATIC CALL OR AT MATURITY

The following examples illustrate the payout on the securities for a range of commodity prices for the review date and a range of final commodity prices, as applicable, and are being provided for illustrative purposes only. These examples are based on the following terms:

- *Hypothetical Initial Commodity Price: $50*
- *Call Price: $1,070 if the securities are automatically called immediately after the February 22, 2019 review date*
- *Payment at Maturity if the final commodity price is at or above the initial commodity price: $1,140*
- *Stated Principal Amount (per security): $1,000*

The actual Initial Commodity Price will be determined on the pricing date.

• In Example 1, the commodity price on the review date is at or above the initial commodity price. Because the commodity price on the review date is at or above the initial commodity price, the securities are automatically called following the review date. In each of Examples 2, 3 and 4, the commodity price on the review date is lower than the initial commodity price, and, consequently, the securities are not automatically called prior to, and remain outstanding until, maturity.

Review Date	***Example 1*** Hypothetical Commodity Price	***Payout***	***Example 2*** Hypothetical Commodity Price	***Payout***	***Example 3*** Hypothetical Commodity Price	***Payout***	***Example 3*** Hypothetical Commodity Price	***Payout***
Review Date	*$65*	*$1,070*	*$35*	*—*	*$45*	*—*	*$45*	*—*
Final Determination Date	*—*	*—*	*$65*	*$1,140*	*$41*	*$1,000*	*$30*	*$600*
Total Payout:	***$1,070 immediately after the review date***		***$1,140 at maturity***		***$1,000 at maturity***		***$600 at maturity***	

• In Example 2, the final commodity price is $65, which is higher than the hypothetical initial commodity price of $50 and represents a 30% increase in the initial commodity price. The payment at maturity equals $1,140 per security,

representing a 14.00% return on your investment. The return on your investment would be less than the 30% return you would receive on a comparable investment linked to the simple return on the underlying commodity.

• *In Example 3, the final commodity price is $41, which is lower than the hypothetical initial commodity price of $50 and represents a 18% decline from the initial commodity price. Because the final commodity price has not declined by more than 20% from the initial commodity price, the payment at maturity equals the Stated Principal Amount of $1,000 per security.*

• *In Example 4, the final commodity price is $30, which represents a 40% decline from the initial commodity price. Because the final commodity price has declined by more than 20% from the initial commodity price, investors are exposed to that decline on a 1 to 1 basis and will receive a payment at maturity that represents a 40% loss of their principal, calculated as follows:*

$1,000 + ($1,000 x commodity percent change) = $1,000 + ($1,000 x –40%) = $600

RISK FACTORS

The securities are not secured debt, are riskier than ordinary debt securities, do not pay any interest and, unlike ordinary debt securities, do not guarantee the return of any principal at maturity. Investing in the securities is not equivalent to investing directly in WTI crude oil or in futures contracts or forward contracts on WTI crude oil. This section describes the most significant risks relating to the securities. For a complete list of risk factors, please see the accompanying prospectus supplement and prospectus. You should carefully consider whether the securities are suited to your particular circumstances before you decide to purchase them.

The securities do not pay interest or guarantee the return of any principal at maturity	The terms of the securities differ from those of ordinary debt securities in that we do not pay you interest on the securities and do not guarantee to pay you any of the principal at maturity. Instead, if the securities have not been automatically called prior to maturity, you will receive at maturity for each security you hold an amount in cash that will vary depending on the final commodity price. If the final commodity price has declined **by more than 20%** from the initial commodity price, you will be fully exposed to the negative performance of the underlying commodity, and will lose 1% of your stated principal amount for every 1% decline in the final commodity price from the initial commodity price. For example, if the final commodity price declines by 50% from the initial commodity price, you will lose 50% of your principal. **There is no minimum payment at maturity on the securities. Accordingly, you could lose your entire initial investment in the securities.**
The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities	You are dependent on our ability to pay all amounts due on the securities and therefore you are subject to our credit risk. If we default on our obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.
As a finance subsidiary, MSFL has no independent operations and will have no independent assets	As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank pari passu with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated pari passu with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.
The appreciation potential of the	The appreciation potential of the securities is limited to the fixed return specified for the call date and at maturity, regardless of any greater price performance of the underlying

securities is limited by the fixed returns specified for the call date and at maturity and by the automatic early call feature	commodity, which could be significant. In addition, the automatic early call feature may limit the term of your investment to as short as three months. If the securities are called prior to maturity, you may not be able to reinvest at comparable terms or returns.
The market price of the securities may be influenced by many	Several factors, some of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market. We expect that

unpredictable factors generally the market price of the underlying commodity on any day will affect the value of the securities more than any other single factor. However, because the payout on the securities is not directly correlated to the underlying commodity, the securities will trade differently from the underlying commodity. Factors that may influence the value of the securities include:

- the market price of the underlying commodity and futures contracts on the underlying commodity, including in relation to the commodity price that will result in the securities being called on the call date, and the volatility (frequency and magnitude of changes in value) of such values or prices, as applicable;

- trends of supply and demand for the underlying commodity at any time, as well as the effects of speculation or any government actions that could affect the markets for the underlying commodity;

- interest and yield rates in the market;

- geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the commodities markets generally and which may affect the price of the underlying commodity;

- the time remaining until the next review date and the maturity of the securities; and

- any actual or anticipated changes in our credit ratings or credit spreads.

In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. As a result, the market value of the securities will vary and may be less than the original issue price at any time prior to maturity, and a sale of the securities prior to maturity may result in a loss. For example, you may have to sell your securities at a substantial loss if on that date the commodity price is below the initial commodity price.

You cannot predict the future prices of the underlying commodity based on its historical prices. If the securities are not called prior to maturity and the final commodity price declines by more than 20% from the initial commodity price, you will be fully exposed to any decline in the final commodity price from the initial commodity price and, as a result, you may lose some or all of your investment at maturity. There can be no assurance that the securities will be called prior to maturity or that the final commodity price will be at or above the initial commodity price such that you will receive at maturity an amount that is greater than the principal amount of your investment.

Single commodity prices tend to be more volatile than, and may not correlate with, the prices of commodities generally

All payments on the securities are linked exclusively to the price of futures contracts on West Texas Intermediate light sweet crude oil and not to a diverse basket of commodities or a broad-based commodity index. The price of futures contracts on West Texas Intermediate light sweet crude oil may not correlate to, and may diverge significantly from, the prices of commodities generally. Because the securities are linked to the price of a single commodity, they carry greater risk and may be more volatile than a security linked to the prices of multiple commodities or a broad-based commodity index. The price of futures contracts on West Texas Intermediate light sweet crude oil may be, and has recently been, highly volatile, and we can give you no assurance that the volatility will lessen. See "Description of Securities—Historical Information."

Investments linked to a single commodity are subject to sharp fluctuations in commodity

Investments, such as the securities, linked to the price of a single commodity such as WTI crude oil futures contracts are subject to significant fluctuations in the price of the commodity over short periods due to a variety of factors. Demand for refined petroleum products by consumers, as well as by the agricultural, manufacturing and

prices, and the price of WTI crude oil futures contracts may change unpredictably and affect the value of the securities in unforeseeable ways

transportation industries, affects the price of crude oil futures contracts. Crude oil's end-use as a refined product is often as transport fuel, industrial fuel and in-home heating fuel. Potential for substitution in most areas exists, although considerations including relative cost often limit substitution levels. Because the precursors of demand for petroleum products are linked to economic activity, demand will tend to reflect economic conditions. Demand is also influenced by government regulations, such as environmental or consumption policies. In addition to general economic activity and demand, prices for crude oil are affected by political events, labor activity, developments in production technology such as fracking and, in particular, direct government intervention (such as embargos) or supply disruptions in major oil producing regions of the world. Such events tend to affect oil prices worldwide, regardless of the location of the event. Supply for crude oil may increase or decrease depending on many factors. These include production decisions by the Organization of the Petroleum Exporting Countries and other crude oil producers. In the event of sudden disruptions in the supplies of oil, such as those caused by war, natural events, accidents or acts of terrorism, prices of oil futures contracts could become extremely volatile and unpredictable. Also, sudden and dramatic changes in the futures market may occur, for example, upon a cessation of hostilities that may exist in countries producing oil, the introduction of new or previously withheld supplies into the market or the introduction of substitute products or commodities. WTI crude oil is also subject to the risk that it has demonstrated a lack of correlation with world crude oil prices due to structural differences between the U.S. market for crude oil and the international market for crude oil. As a result, the price of WTI crude oil may be more volatile than world crude oil prices generally. See "Description of Securities—Historical Information."

The amount payable on the securities is not linked to the performance of the underlying commodity at any time other than the review date and the final determination date, as applicable

Whether the securities will be called on the call date and, if the securities have not been called prior to maturity, the amount payable on the securities at maturity will be based on the commodity price on the review date and the final determination date, as applicable. Even if the underlying commodity appreciates prior to the review date or the final determination date but then drops by the review date or the final determination date, as applicable: (i) with respect to the review date, the securities may not be called and (ii) with respect to the final determination date, the payment at maturity may be significantly less than it would have been had the payment at maturity been linked to the performance of the underlying commodity prior to such drop. Although the actual commodity price on the maturity date or at other times during the term of the securities may be higher than the commodity price on the review date or the final determination date, the payout on the securities will be based solely on the commodity price on the review date or the final determination date, as applicable.

The automatic call feature may limit the term of your investment to three months

The term of your investment in the securities may be limited to as short as approximately three months by the automatic early call feature of the securities. If the securities are called prior to maturity, you may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

An investment linked to commodity futures contracts is not equivalent to an investment linked to the spot prices of physical

The securities have returns based on the change in price of futures contracts on the underlying commodity, not the change in the spot price of actual physical commodity to which such futures contracts relate. The price of a futures contract reflects the expected value of the commodity upon delivery in the future, whereas the price of a physical commodity reflects the value of such commodity upon immediate delivery, which is referred to as the spot price. Several factors can result in differences between the price of a commodity futures contract and the spot price

commodities

of a commodity, including the cost of storing such commodity for the length of the futures contract, interest costs related to financing the purchase of such commodity and expectations of supply and demand for such commodity. While the changes in the price of a futures contract are usually correlated with the changes in the spot price, such correlation is not exact. In some cases, the performance of a commodity futures contract can deviate significantly from the spot price performance of the related underlying commodity, especially over longer periods of time. Accordingly, investments linked to the return of commodities futures contracts may underperform similar investments that reflect the spot price return on physical commodities.

Differences between futures prices and the spot price of WTI crude oil may decrease the amount payable at maturity

The initial commodity price and final commodity price that are used to determine the payment at maturity on the securities or upon earlier call are determined by reference to the settlement price of the first nearby month futures contract for WTI crude oil on the pricing date and determination date, respectively; that if any such date falls on the last trading day of such futures contract, then the second nearby month futures contract on such date will be used, and the commodity price will therefore not reflect the spot price of WTI crude oil on such dates. The market for futures contracts on WTI crude oil has experienced periods of backwardation, in which futures prices are lower than the spot price, and periods of contango, in which futures prices are higher than the spot price. If the contract is in backwardation on the pricing date or in contango on the final determination date, the amount payable at maturity on the securities will be less than if the initial commodity price or final commodity price, respectively, was determined with reference to the spot price.

Suspensions or disruptions of market trading in WTI crude oil futures contracts may adversely affect the value of the securities

The futures market for WTI crude oil is subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, the contract is listed on the NYMEX. NYMEX has limits on the amount of fluctuation in futures contract prices which may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price.” Once the limit price has been reached in a particular contract, no trades may be made at a different price. The current maximum daily price fluctuation for futures contracts of WTI crude oil is $6 per barrel for any particular month of delivery. If any contract is traded, bid, or offered at the limit for five minutes, trading is halted for five minutes. When trading resumes, the limit is expanded by $6 per barrel in either direction. If another halt is triggered, the market would continue to be expanded by $6 per barrel in either direction after each successive five-minute trading halt. There are no maximum price fluctuation limits during any one trading session. Fluctuation limits will have the effect of precluding trading in the contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the value of WTI crude oil futures contracts and, therefore, the value of the securities.

Investing in the securities is not equivalent to investing in the underlying commodity or in futures contracts or forward contracts on the

By purchasing the securities, you do not purchase any entitlement to the underlying commodity or futures contracts or forward contracts on the underlying commodity. Furthermore, by purchasing the securities, you are taking credit risk to us and not to any counter-party to futures contracts or forward contracts on the underlying commodity.

underlying commodity

Legal and regulatory changes could adversely affect the return on and value of your securities	Futures contracts and options on futures contracts, including those related to the underlying commodity, are subject to extensive statutes, regulations, and margin requirements. The Commodity Futures Trading Commission, commonly referred to as the “CFTC,” and the exchanges on which such futures contracts trade, are authorized to take extraordinary actions in the event of a market emergency,

including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, certain exchanges have regulations that limit the amount of fluctuations in futures contract prices that may occur during a single five-minute trading period. These limits could adversely affect the market prices of relevant futures and options contracts and forward contracts. The regulation of commodity transactions in the U.S. is subject to ongoing modification by government and judicial action. In addition, various non-U.S. governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivative markets in general. The effect on the value of the securities of any future regulatory change is impossible to predict, but could be substantial and adverse to the interests of holders of the securities.

For example, the Dodd-Frank Act, which was enacted on July 21, 2010, requires the CFTC to establish limits on the amount of positions that may be held by any person in certain commodity futures contracts and swaps, futures and options that are economically equivalent to such contracts. While the effects of these or other regulatory developments are difficult to predict, when adopted, such rules may have the effect of making the markets for commodities, commodity futures contracts, options on futures contracts and other related derivatives more volatile and over time potentially less liquid. Such restrictions may force market participants, including us and our affiliates, or such market participants may decide, to sell their positions in such futures contracts and other instruments subject to the limits. If this broad market selling were to occur, it would likely lead to declines, possibly significant declines, in commodity prices, in the price of such commodity futures contracts or instruments and potentially, the value of the securities.

The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the inclusion of costs associated with issuing, selling, structuring and hedging the securities in the original issue price reduce the economic terms of the securities, cause the estimated value of the securities to be less than the original issue price and will adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the securities in secondary market transactions will likely be significantly lower than the original issue price, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the original issue price and borne by you and because the secondary market prices will reflect our secondary market credit spreads and the bid-offer spread that any dealer would charge in a secondary market transaction of this type as well as other factors.

The inclusion of the costs of issuing, selling, structuring and hedging the securities in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the securities less favorable to

you than they otherwise would be.

The estimated value of the securities is determined by reference to our pricing and valuation models, which may differ from those of other dealers and is not a maximum or minimum secondary market price

These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of securities, our models may yield a higher estimated value of the securities than those generated by others, including other dealers in the market, if they attempted to value the securities. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which dealers, including MS & Co., would be willing to purchase your securities in the secondary market (if any exists) at any time. The value of your securities at any time after the date of this pricing supplement will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions. See also "The market price will be influenced by many unpredictable factors" above.

The securities will not be listed on any securities exchange and secondary trading may be limited

The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. 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. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

Hedging and trading activity by our affiliates could potentially adversely affect the value of the securities

One or more of our affiliates and/or third-party dealers expect to carry out hedging activities related to the securities (and to other instruments linked to the underlying commodity), including trading in futures contracts on the underlying commodity, and possibly in other instruments related to the underlying commodity. Some of our affiliates also trade the underlying commodity and other financial instruments related to the underlying commodity on a regular basis as part of their general broker-dealer, commodity trading, proprietary trading and other businesses. Any of these hedging or trading activities on or prior to the pricing date could potentially increase the initial commodity price, and, as a result, increase (i) the price at or above which the underlying commodity must close on any determination date so that the securities are redeemed prior to maturity for the early redemption payment and (ii) the downside threshold level, which is the price at or above which the underlying commodity must close on each determination date in order for you to earn a contingent quarterly coupon, and, if the securities are not called prior to maturity, in order for you to avoid being exposed to the negative performance of the underlying commodity at maturity. Additionally, our hedging activities, as well as our other trading activities, during the term of the securities could potentially affect the price of the underlying commodity on the determination dates, and, accordingly, whether the securities are automatically redeemed prior to maturity, whether we pay a contingent quarterly coupon on the securities and the amount of cash you receive at maturity, if any.

The calculation agent, which is a subsidiary of Morgan Stanley and an	As calculation agent, MSCG will determine the initial commodity price, the commodity price on the review date, the final commodity price, whether the commodity price on the review date is at or above the initial commodity price and

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affiliate of MSFL, will make determinations with respect to the securities

therefore whether the securities will be redeemed following the review date, whether a market disruption event has occurred, and, if the securities are not redeemed prior to maturity, the amount of cash, if any, you will receive at maturity. Moreover, certain determinations made by MSCG, in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events or calculation of any commodity price in the event of a market disruption event. These potentially subjective determinations may adversely affect the payout to you at maturity, if any. For further information regarding these types of determinations, see "Description of Securities—Initial Commodity Price," "—Commodity Price," "—Review Date," "—Trading Day," "—Agent," "—Market Disruption Event," and "—Alternate Exchange Calculation in Case of an Event of Default," and "—Calculation Agent and Calculations" herein. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

The U.S. federal income tax consequences of an investment in the securities are uncertain

Please note that the discussions in this pricing supplement concerning the U.S. federal income tax consequences of an investment in the securities supersede the discussions contained in the accompanying prospectus supplement.

Subject to the discussion under "United States Federal Taxation" in this pricing supplement, although there is uncertainty regarding the U.S. federal income tax consequences of an investment in the securities due to the lack of governing authority, in the opinion of our counsel, Davis Polk & Wardwell LLP ("our counsel"), under current law, and based on current market conditions, each security should be treated as a single financial contract that is an "open transaction" for U.S. federal income tax purposes. If the Internal Revenue Service (the "IRS") were successful in asserting an alternative treatment for the securities, the timing and character of income on the securities might differ significantly. It is possible, for example, that a security could be treated as a short-term debt instrument, with the result that the timing and character of income or loss on the securities might differ from the tax treatment described above. The risk that financial instruments providing for buffers, triggers or similar downside protection features, such as the securities, would be recharacterized as debt is greater than the risk of recharacterization for comparable financial instruments that do not have such features. We do not plan to request a ruling from the IRS regarding the tax treatment of the securities, and the IRS or a court may not agree with the tax treatment described in this pricing supplement. Please read carefully the discussion under "United States Federal Taxation" in this pricing supplement concerning the U.S. federal income tax consequences of an investment in the securities.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the "constructive ownership" rule, which very generally can

operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of

these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect.

Both U.S. and Non-U.S. Holders should read carefully the discussion under "United States Federal Taxation" in this pricing supplement and consult their tax advisers regarding all aspects of the U.S. federal tax consequences of an investment in the securities as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

DESCRIPTION OF SECURITIES

Terms not defined herein have the meanings given to such terms in the accompanying prospectus supplement. The term “Security” refers to each $1,000 Stated Principal Amount of our Autocallable Quarterly Review Notes due May 27, 2019 Based on the Performance of West Texas Intermediate Light Sweet Crude Oil Futures Contracts.

Aggregate Principal Amount