

MORGAN STANLEY  
Form FWP  
April 30, 2019

May 2019

Preliminary Terms No. 1,908  
Registration Statement Nos. 333-221595; 333-221595-01  
Dated April 30, 2019  
Filed pursuant to Rule 433

Morgan Stanley Finance LLC

## STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

Trigger PLUS Based on the Value of the Worst Performing of the S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

**Fully and Unconditionally Guaranteed by Morgan Stanley**

### **Principal at Risk Securities**

The Trigger PLUS are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The Trigger PLUS will pay no interest, do not guarantee any return of principal at maturity and have the terms described in the accompanying product supplement for PLUS, index supplement and prospectus, as supplemented or modified by this document. The payment at maturity on the Trigger PLUS will be based on the value of the worst performing of the S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index, which we refer to as the underlying indices. At maturity, if **both** underlying indices have **appreciated** in value, investors will receive the stated principal amount of their investment plus leveraged upside performance of the worst performing underlying index. If **either** of the underlying indices **depreciates** in value, but the final index value of **each** underlying index is greater than or equal to 50% of the respective initial index value, which we refer to as the respective trigger level, investors will receive the stated principal amount of their investment. However, if the final index value of **either** underlying index is less than its respective trigger level, investors will lose a significant portion or all of their investment, resulting in a loss of 1% for every 1% decline in the worst performing underlying index from its initial index value. **Investors may lose their entire initial investment in the Trigger PLUS.** Because the payment at maturity of the Trigger PLUS is based on the worst performing of the underlying indices, a decline in **either** underlying index below its respective trigger level will result in a significant loss of your investment, even if the other underlying index has appreciated or has not declined as much. These long-dated Trigger PLUS are for investors who seek an equity index-based return and who are willing to risk their principal, risk exposure to the worst performing of two underlying indices and forgo current income in exchange for the upside leverage feature and the limited protection against loss that applies only if the final index value of each underlying index is greater than or equal to the respective trigger level. The Trigger PLUS 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 Trigger PLUS 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.**

SUMMARY TERMS

|                                    |  |
|------------------------------------|--|
| Issuer:                            | Morgan Stanley Finance LLC   |
| Guarantor:                         | Morgan Stanley   |
| Maturity date:                     | May 31, 2024   |
| Underlying indices:                | S&P 500 <sup>®</sup> Index (the “SPX Index”) and Russell 2000 <sup>®</sup> Index (the “RTY Index”)   |
| Valuation date:                    | May 28, 2024, subject to postponement for non-index business days and certain market disruption events   |
| Aggregate principal amount:        | <p>\$</p> <p>If the final index value of <b>each underlying index</b> is <i>greater than</i> its respective initial index value,</p> <p>\$1,000 + leveraged upside payment</p> <p>If the final index value of <b>either underlying index</b> is <i>less than or equal to</i> its respective initial index value, but the final index value of each underlying index is <i>greater than or equal to</i> its respective trigger level:</p> |
| Payment at maturity:               | <p>\$1,000</p> <p>If the final index value of <b>either underlying index</b> is <i>less than</i> its respective trigger level:</p> <p>\$1,000 x index performance factor of the worst performing underlying index</p> <p><i>Under these circumstances, the payment at maturity will be less than the stated principal amount of \$1,000 and will represent a loss of at least 50%, and possibly all of your investment.</i></p>          |
| Leveraged upside payment:          | \$1,000 × leverage factor × index percent change of the worst performing underlying index  |
| Leverage factor:                   | At least 125%. The actual leverage factor will be determined on the pricing date.  |
| Index percent change:              | With respect to each underlying index, (final index value – initial index value) / initial index value   |
| Worst performing underlying index: | The underlying index with the lesser index percent change  |
| Index performance factor           | With respect to each underlying index, final index value / initial index value   |
| Initial index value:               | <p>With respect to the SPX Index, _____, which is the index closing value of such index on the pricing date</p> <p>With respect to the RTY Index, _____, which is the index closing value of such index on the pricing date</p>  |

Edgar Filing: MORGAN STANLEY - Form FWP

Final index value: With respect to each underlying index, the index closing value of such index on the valuation date

Trigger level: With respect to the SPX Index, , which is 50% of the initial index value of such index

Trigger level: With respect to the RTY Index, , which is 50% of the initial index value of such index

Stated principal amount / Issue price: \$1,000 per Trigger PLUS (see “Commissions and issue price” below)

Pricing date: May 28, 2019

Original issue date: May 31, 2019 (3 business days after the pricing date)

CUSIP / ISIN: 61768D8B4 / US61768D8B44

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

Agent: 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.”

**Estimated value on the pricing date:** Approximately \$936.70 per Trigger PLUS, or within \$30.00 of that estimate. See “Investment Summary” beginning on page 2.

|                              |                 |                                    |                               |
|------------------------------|-----------------|------------------------------------|-------------------------------|
| Commissions and issue price: | Price to public | Agent’s commissions <sup>(1)</sup> | Proceeds to us <sup>(2)</sup> |
| Per Trigger PLUS             | \$1,000         | \$                                 | \$                            |
| Total                        | \$              | \$                                 | \$                            |

*Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$ for each Trigger PLUS they sell. 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 for PLUS.*

(2) See “Use of proceeds and hedging” on page 18.

The Trigger PLUS involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 7.

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 Trigger PLUS 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 Terms of the Trigger PLUS” and “Additional Information About the Trigger PLUS” 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 PLUS dated November 16, 2017

Index Supplement dated November 16, 2017

Prospectus dated November 16, 2017

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

Investment Summary

Performance Leveraged Upside Securities

The Trigger PLUS Based on the Value of the Worst Performing of the S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index due May 31, 2024 (the “Trigger PLUS”) can be used:

§ As an alternative to direct exposure to the underlying indices that enhances returns for any positive performance of the worst performing underlying index

§ To potentially outperform the worst performing of the S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index by taking advantage of the leverage factor, with no limitation on the appreciation potential

To provide limited protection against loss of principal in the event of a decline of the underlying indices but only if § the respective final index level of the **worst performing underlying index** is **greater than or equal to** the respective trigger level

Maturity: 5 years

Leverage factor: At least 125% (applicable only if the final index value of each underlying index is greater than its respective initial index value). The actual leverage factor will be determined on the pricing date.

Trigger level: With respect to the SPX Index, 50% of the initial index value

With respect to the RTY Index, 50% of the initial index value

Minimum payment at maturity: None. You could lose your entire initial investment in the Trigger PLUS

Coupon: None

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

pricing date will be approximately \$936.70, or within \$30.00 of that estimate. Our estimate of the value of the Trigger PLUS 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 Trigger PLUS on the pricing date, we take into account that the Trigger PLUS comprise both a debt component and a performance-based component linked to the underlying indices. The estimated value of the Trigger PLUS 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 Trigger PLUS?*

In determining the economic terms of the Trigger PLUS, including the leverage factor and the trigger 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 Trigger PLUS 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 Trigger PLUS?*

The price at which MS & Co. purchases the Trigger PLUS 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 Trigger PLUS are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the Trigger PLUS in the secondary market, absent changes in market

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

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 Trigger PLUS, and, if it once chooses to make a market, may cease doing so at any time.

May 2019 Page 3

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

Key Investment Rationale

The Trigger PLUS offer leveraged upside exposure to the worst performing of the S&P 500® Index and the Russell 2000® Index. In exchange for the leverage feature, investors are exposed to the risk of loss of a significant portion or all of their investment due to the trigger feature. At maturity, an investor will receive an amount in cash based upon the closing value of the worst performing underlying index on the valuation date. The Trigger PLUS are unsecured obligations of ours, and all payments on the Trigger PLUS are subject to our credit risk. **Investors may lose their entire initial investment in the Trigger PLUS.**

|                        |   |
|------------------------|---|
| Leveraged Performance  | The PLUS offer investors an opportunity to receive at least 125% of the positive return of the worst performing of the underlying indices if <b>both</b> underlying indices have appreciated in value. The actual leverage factor will be determined on the pricing date.   |
| <b>Trigger Feature</b> | At maturity, even if the worst performing underlying index has declined over the term of the Trigger PLUS, you will receive your stated principal amount but only if the final index value of the worst performing underlying index is <b>greater than or equal to</b> the respective trigger level.  |
| Upside Scenario        | <b>Both</b> underlying indices increase in value and, at maturity, the Trigger PLUS redeem for the stated principal amount of \$1,000 plus at least 125% of the index percent change of the worst performing underlying index. The actual leverage factor will be determined on the pricing date.   |
| Par Scenario           | The final index value of the worst performing index is less than or equal to the respective initial index value but is greater than or equal to the respective trigger level. In this case, you receive the stated principal amount of \$1,000 at maturity even though the worst performing underlying index has depreciated.<br><br><b>Either</b> underlying index declines in value such that, at maturity, the final index value of the worst performing index is less than the respective trigger level. In this case, the Trigger PLUS will redeem for at least 50% less than the stated principal amount, and this decrease will be by an amount proportionate to the full decline in value of the worst performing underlying index over the term of the Trigger PLUS. |
| Downside Scenario      | Because the payment at maturity of the Trigger PLUS is based on the worst performing of the underlying indices, a decline in <b>either</b> underlying index below its respective trigger level will result in a significant loss of your investment, even if the other underlying index has appreciated or has not declined as much.  |





Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

Hypothetical Examples

The following hypothetical examples illustrate how to calculate the payment at maturity on the Trigger PLUS. The following examples are for illustrative purposes only. The actual initial index value and trigger level for each underlying index will be determined on the pricing date. The payment at maturity on the Trigger PLUS is subject to our credit risk. The below examples are based on the following terms:

|                                   |  |
|-----------------------------------|--|
| Stated principal amount:          | \$1,000 per PLUS   |
| Hypothetical leverage factor:     | 125%. The actual leverage factor will be determined on the pricing date.<br>With respect to the SPX Index, 1,000, 50% of the respective hypothetical initial index value |
| Hypothetical trigger level        | With respect to the RTY Index, 500, 50% of the respective hypothetical initial index value   |
| Hypothetical initial index value: | With respect to the SPX Index: 2,000<br>With respect to the RTY Index: 1,000   |

**EXAMPLE 1: Both underlying indices appreciate over the term of the Trigger PLUS, and investors receive the stated principal amount *plus* the leveraged upside payment, calculated based on the index percent change of the worst performing underlying index.**

|                      |  |
|----------------------|--|
| Final index value    | SPX Index:<br>2,200<br>RTY Index: 1,400  |
| Index percent change | SPX Index: $(2,200 - 2,000) / 2,000 = 10\%$<br>RTY Index: $(1,400 - 1,000) / 1,000 = 40\%$   |
| Payment at maturity  | $= \$1,000 + \text{leveraged upside payment}$<br>$= \$1,000 + (\$1,000 \times \text{leverage factor} \times \text{index percent change of the worst performing underlying index})$<br>$= \$1,000 + (\$1,000 \times 125\% \times 10\%)$ |

= \$1,125

In example 1, the final index values of both the SPX Index and the RTY Index are greater than their initial index values. The SPX Index has appreciated by 10%, while the RTY Index has appreciated by 40%. Therefore, investors receive at maturity the stated principal amount *plus* 125% of the appreciation of the worst performing underlying index, which is the SPX Index in this example. Investors receive \$1,125 per Trigger PLUS at maturity (assuming a hypothetical leverage factor of 125%). The actual leverage factor will be determined on the pricing date.

**EXAMPLE 2: One underlying index appreciates, while the other declines over the term of the Trigger PLUS but neither index declines below the respective trigger level, and investors receive the stated principal amount.**

|                      |   |
|----------------------|---|
| Final index value    | SPX Index:<br>2,600                         |
|                      | RTY Index: 800                              |
| Index percent change | SPX Index: $(2,600 - 2,000) / 2,000 = 30\%$ |
|                      | RTY Index: $(800 - 1,000) / 1,000 = -20\%$  |
| Payment at maturity  | = \$1,000                                   |

In example 2, the final index value of the SPX Index is greater than its initial index value, while the final index value of the RTY Index is less than its initial index value, but is greater than or equal to the respective trigger level. The SPX Index has appreciated by 30% while the RTY index has declined by 20%. Investors will receive the stated principal amount of \$1,000.

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

**EXAMPLE 3: One underlying index appreciates while the other declines over the term of the Trigger PLUS, and the final index value of the worst performing underlying index is less than the respective trigger level. Investors are therefore exposed to the decline in the worst performing underlying index from its initial index value.**

|                      |  |
|----------------------|--|
| Final index value    | SPX Index:<br>2,600  |
|                      | RTY Index: 400   |
| Index percent change | SPX Index: $(2,600 - 2,000) / 2,000 = 30\%$  |
|                      | RTY Index: $(400 - 1,000) / 1,000 = -60\%$   |
| Payment at maturity  | = $\$1,000 \times [\text{index performance factor of the worst performing index}]$ |
|                      | = $\$1,000 \times [400 / 1,000]$   |
|                      | = \$400  |

In example 3, the final index value of the SPX Index is greater than its initial index value, while the final index value of the RTY Index has declined below the trigger level. The SPX Index has appreciated by 30% while the RTY Index has depreciated by 60%. Because the final index value of the RTY Index has declined below the trigger level, investors are exposed to the negative performance of the RTY Index, which is the worst performing underlying index in this example. Investors receive a payment at maturity of \$400.

**EXAMPLE 4: Both underlying indices decline below their respective trigger levels, and investors are therefore exposed to the decline in the worst performing underlying index from its initial index value.**

|                      |  |
|----------------------|--|
| Final index value    | SPX Index:<br>600  |
|                      | RTY Index: 400   |
| Index percent change | SPX Index: $(600 - 2,000) / 2,000 = -70\%$   |
|                      | RTY Index: $(400 - 1,000) / 1,000 = -60\%$   |
| Payment at maturity  | = $\$1,000 \times [\text{index performance factor of the worst performing index}]$ |
|                      | = $\$1,000 \times [600 / 2,000]$   |

= \$300

In example 4, the final index values of both the SPX Index and the RTY Index are less than their respective trigger levels. The SPX Index has declined by 70% while the RTY Index has declined by 60%. Therefore, investors are exposed to the negative performance of the SPX Index, which is the worst performing underlying index in this example. Investors receive a payment at maturity of \$300.

**Because the payment at maturity of the Trigger PLUS is based on the worst performing of the underlying indices, a decline in either underlying index below its respective trigger level will result in a significant loss of your investment, even if the other underlying index has appreciated or has not declined as much.**

May 2019 Page 6

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

Risk Factors

*The following is a non-exhaustive list of certain key risk factors for investors in the Trigger PLUS. For further discussion of these and other risks, you should read the section entitled “Risk Factors” in the accompanying product supplement for PLUS, index supplement and prospectus. We also urge you to consult your investment, legal, tax, accounting and other advisers in connection with your investment in the Trigger PLUS.*

**The Trigger PLUS do not pay interest or guarantee return of any principal.** The terms of the Trigger PLUS differ from those of ordinary debt securities in that the Trigger PLUS do not pay interest or guarantee payment of any principal at maturity. If the final index value of **either** underlying index is less than the respective trigger level § (which is 50% of the respective initial index level), the payout at maturity will be an amount in cash that is at least 50% less than the \$1,000 stated principal amount of each Trigger PLUS, and this decrease will be by an amount proportionate to the full decrease in the value of the worst performing underlying index over the term of the Trigger PLUS. There is no minimum payment at maturity on the Trigger PLUS, and you could lose your entire investment.

**You are exposed to the price risk of both underlying indices.** Your return on the Trigger PLUS is not linked to a basket consisting of both underlying indices. Rather, it will be based upon the independent performance of each underlying index. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is mitigated and diversified among all the components of the basket, you will be exposed to the risks related to both § underlying indices. Poor performance by either underlying index over the term of the Trigger PLUS will negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying index. If either underlying index declines to below its respective trigger level as of the valuation date, you will be exposed to the negative performance of the worst performing underlying index at maturity, even if the other underlying index has appreciated or has not declined as much, and you will lose a significant portion or all of your investment. Accordingly, your investment is subject to the price risk of both underlying indices.

**Because the Trigger PLUS are linked to the performance of the worst performing underlying index, you are exposed to greater risk of sustaining a significant loss on your investment than if the Trigger PLUS were linked to just one underlying index.** The risk that you will suffer a significant loss on your investment is greater if § you invest in the Trigger PLUS as opposed to substantially similar securities that are linked to just the performance of one underlying index. With two underlying indices, it is more likely that either underlying index will decline to below its trigger level as of the valuation date, than if the Trigger PLUS were linked to only one underlying index. Therefore it is more likely that you will suffer a significant loss on your investment.

§

**The market price will be influenced by many unpredictable factors.** Several factors will influence the value of the Trigger PLUS in the secondary market and the price at which MS & Co. may be willing to purchase or sell the Trigger PLUS in the secondary market, including the value, volatility and dividend yield of the underlying indices, interest and yield rates, time remaining to maturity, geopolitical conditions and economic, financial, political and regulatory or judicial events and any actual or anticipated changes in our credit ratings or credit spreads. Generally, the longer the time remaining to maturity, the more the market price of the Trigger PLUS will be affected by the other factors described above. The levels of the underlying indices may be, and have recently been, extremely volatile, and we can give you no assurance that the volatility will lessen. See “S&P 500® Index Overview” and “Russell 2000® Index Overview” below. You may receive less, and possibly significantly less, than the stated principal amount per Trigger PLUS if you try to sell your Trigger PLUS prior to maturity.

**The Trigger PLUS 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 Trigger PLUS.** You are dependent on our ability to pay all amounts due on the Trigger PLUS at maturity and therefore you are subject to our credit risk. If we default on our obligations under the Trigger PLUS, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the Trigger PLUS 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 Trigger PLUS.

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk 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 Trigger PLUS are linked to the Russell 2000® Index and are subject to risks associated with small-capitalization companies.** As the Russell 2000® Index is one of the underlying indices, and the Russell 2000® Index consists of stocks issued by companies with relatively small market capitalization, the Trigger PLUS are linked to the value of small-capitalization companies. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies and therefore the Russell 2000® Index may be more volatile than indices that consist of stocks issued by large-capitalization companies. Stock prices of § small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded. In addition, small capitalization companies are typically less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.

**The amount payable on the Trigger PLUS is not linked to the values of the underlying indices at any time other than the valuation date.** The final index value of each underlying index will be based on the index closing value of such index on the valuation date, subject to adjustment for non-index business days and certain market disruption events. Even if both underlying indices appreciate prior to the valuation date but the value of **either** § underlying index drops by the valuation date to below its trigger level, the payment at maturity will be significantly less than it would have been had the payment at maturity been linked to the values of the underlying indices prior to such drop. Although the actual values of the underlying indices on the stated maturity date or at other times during the term of the Trigger PLUS may be higher than their respective final index values, the payment at maturity will be based solely on the index closing values on the valuation date.

**Investing in the Trigger PLUS is not equivalent to investing in either underlying index.** Investing in the Trigger § PLUS is not equivalent to investing in either underlying index or the component stocks of either underlying index. Investors in the Trigger PLUS will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to stocks that constitute either underlying index.



**Adjustments to the underlying indices could adversely affect the value of the Trigger PLUS.** The publisher of either underlying index may add, delete or substitute the stocks constituting such underlying index or make other methodological changes that could change the value of such underlying index. The publisher of either underlying index may discontinue or suspend calculation or publication of such underlying index at any time. In these circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued underlying index and will be permitted to consider indices that are calculated and published by the calculation agent or any of its affiliates.

**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 Trigger PLUS in the original issue price reduce the economic terms of the Trigger PLUS, cause the estimated value of the Trigger PLUS 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 Trigger PLUS in secondary market transactions will likely be significantly lower than the original issue

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

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 Trigger PLUS in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the Trigger PLUS less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the Trigger PLUS are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the Trigger PLUS 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, and we expect that those higher values will also be reflected in your brokerage account statements.

**The Trigger PLUS will not be listed on any securities exchange and secondary trading may be limited.** The Trigger PLUS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the Trigger PLUS. MS & Co. may, but is not obligated to, make a market in the Trigger PLUS. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Trigger PLUS easily. Because § we do not expect that other broker-dealers will participate significantly in the secondary market for the Trigger PLUS, the price at which you may be able to trade your Trigger PLUS is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were not to make a market in the Trigger PLUS, it is likely that there would be no secondary market for the Trigger PLUS. Accordingly, you should be willing to hold your Trigger PLUS to maturity.

**§ The estimated value of the Trigger PLUS 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 Trigger PLUS than those generated by others, including other dealers in the market, if they attempted to value the Trigger PLUS. 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 Trigger PLUS in the secondary market (if any exists) at any time. The value of your Trigger PLUS 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.

**Hedging and trading activity by our affiliates could potentially adversely affect the value of the Trigger PLUS.** One or more of our affiliates and/or third-party dealers expect to carry out hedging activities related to the Trigger PLUS (and to other instruments linked to the underlying index or its component stocks), including trading in the stocks that constitute the underlying indices as well as in other instruments related to the underlying indices. As a result, these entities may be unwinding or adjusting hedge positions during the term of the Trigger PLUS, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the valuation date approaches. MS & Co. and some of our other affiliates also trade the stocks that constitute the underlying indices and other financial instruments related to the underlying indices on a regular basis as part of their general § broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could potentially increase the initial index value of an underlying index, and, therefore, could increase the trigger level for such underlying index, which is the level at or above which such underlying index must close on the valuation date so that investors do not suffer a significant loss on their initial investment in the Trigger PLUS (depending also on the performance of the other underlying index). Additionally, such hedging or trading activities during the term of the Trigger PLUS, including on the valuation date, could potentially affect whether the value of an underlying index on the valuation date is below the respective trigger level, and, therefore, whether an investor would receive significantly less than the stated principal amount of the Trigger PLUS at maturity (depending also on the performance of the other underlying index).

**The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make § determinations with respect to the Trigger PLUS.** As calculation agent, MS & Co. will determine the initial index

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

values, the trigger levels and the final index values, including whether either underlying index has decreased to below the respective trigger level, and will calculate the amount of cash, if any, you will receive at maturity. Moreover, certain determinations made by MS & Co., 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 and the selection of a successor index or calculation of the final index value in the event of a market disruption event or discontinuance of the underlying indices. 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 PLUS—Postponement of Valuation Date(s)” and “—Calculation Agent and Calculations” and related definitions in the accompanying product supplement. In addition, MS & Co. has determined the estimated value of the Trigger PLUS on the pricing date.

**The U.S. federal income tax consequences of an investment in the Trigger PLUS are uncertain.**

Please read the discussion under “Additional Information—Tax considerations” in this document and the discussion under “United States Federal Taxation” in the accompanying product supplement for PLUS (together, the “Tax Disclosure Sections”) concerning the U.S. federal income tax consequences of an investment in the Trigger PLUS. If the Internal Revenue Service (the “IRS”) were successful in asserting an alternative treatment, the timing and character of income on the Trigger PLUS might differ significantly from the tax treatment described in the Tax Disclosure Sections. For example, under one possible treatment, the IRS could seek to recharacterize the Trigger PLUS as debt instruments. In that event, U.S. Holders would be required to accrue into income original issue discount on the Trigger PLUS every year at a “comparable yield” determined at the time of issuance and recognize all income and gain in respect of the Trigger PLUS as ordinary income. Additionally, as discussed under “United States Federal Taxation—FATCA” in the accompanying product supplement for PLUS, the withholding rules commonly referred to as “FATCA” would apply to the Trigger PLUS if they were recharacterized as debt instruments. However, recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization) eliminate the withholding requirement on payments of gross proceeds of a taxable disposition. The risk that financial instruments providing for buffers, triggers or similar downside protection features, such as the Trigger PLUS, 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 Trigger PLUS, and the IRS or a court may not agree with the tax treatment described in the Tax Disclosure Sections.

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 Trigger PLUS, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Trigger PLUS, including possible alternative treatments, the issues presented by this notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

May 2019 Page 10

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

S&P 500® Index Overview

The S&P 500® Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC (“S&P”), consists of 500 component stocks selected to provide a performance benchmark for the U.S. equity markets. The calculation of the S&P 500® Index is based on the relative value of the float adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to the aggregate average market capitalization of 500 similar companies during the base period of the years 1941 through 1943. For additional information about the S&P 500® Index, see the information set forth under “S&P 500® Index” in the accompanying index supplement.

Information as of market close on April 25, 2019:

|                              |          |
|------------------------------|----------|
| Bloomberg Ticker Symbol:     | SPX      |
| Current Index Value:         | 2,926.17 |
| 52 Weeks Ago:                | 2,639.40 |
| 52 Week High (on 4/23/2019): | 2,933.68 |
| 52 Week Low (on 12/24/2018): | 2,351.10 |

The following graph sets forth the daily closing values of the SPX Index for the period from January 1, 2014 through April 25, 2019. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the SPX Index for each quarter in the same period. The closing value of the SPX Index on April 25, 2019 was 2,926.17. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The SPX Index has at times experienced periods of high volatility, and you should not take the historical values of the SPX Index as an indication of its future performance.

SPX Index Daily Closing Values  
January 1, 2014 to April 25, 2019

Edgar Filing: MORGAN STANLEY - Form FWP

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

| S&P 500® Index                          | High     | Low      | Period End |
|---|----------|----------|------------|
| <b>2014</b>                             |          |          |            |
| First Quarter                           | 1,878.04 | 1,741.89 | 1,872.34   |
| Second Quarter                          | 1,962.87 | 1,815.69 | 1,960.23   |
| Third Quarter                           | 2,011.36 | 1,909.57 | 1,972.29   |
| Fourth Quarter                          | 2,090.57 | 1,862.49 | 2,058.90   |
| <b>2015</b>                             |          |          |            |
| First Quarter                           | 2,117.39 | 1,992.67 | 2,067.89   |
| Second Quarter                          | 2,130.82 | 2,057.64 | 2,063.11   |
| Third Quarter                           | 2,128.28 | 1,867.61 | 1,920.03   |
| Fourth Quarter                          | 2,109.79 | 1,923.82 | 2,043.94   |
| <b>2016</b>                             |          |          |            |
| First Quarter                           | 2,063.95 | 1,829.08 | 2,059.74   |
| Second Quarter                          | 2,119.12 | 2,000.54 | 2,098.86   |
| Third Quarter                           | 2,190.15 | 2,088.55 | 2,168.27   |
| Fourth Quarter                          | 2,271.72 | 2,085.18 | 2,238.83   |
| <b>2017</b>                             |          |          |            |
| First Quarter                           | 2,395.96 | 2,257.83 | 2,362.72   |
| Second Quarter                          | 2,453.46 | 2,328.95 | 2,423.41   |
| Third Quarter                           | 2,519.36 | 2,409.75 | 2,519.36   |
| Fourth Quarter                          | 2,690.16 | 2,529.12 | 2,673.61   |
| <b>2018</b>                             |          |          |            |
| First Quarter                           | 2,872.87 | 2,581.00 | 2,640.87   |
| Second Quarter                          | 2,786.85 | 2,581.88 | 2,718.37   |
| Third Quarter                           | 2,930.75 | 2,713.22 | 2,913.98   |
| Fourth Quarter                          | 2,925.51 | 2,351.10 | 2,506.85   |
| <b>2019</b>                             |          |          |            |
| First Quarter                           | 2,854.88 | 2,447.89 | 2,834.40   |
| Second Quarter (through April 25, 2019) | 2,933.68 | 2,867.19 | 2,926.17   |

“Standard & Poor<sup>®</sup>,” “S&P,” “S&P 500,” “Standard & Poor’s 500” and “500” are trademarks of Standard and Poor’s Financial Services LLC. See “S&P 500<sup>®</sup> Index” in the accompanying index supplement.



Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

Russell 2000® Index Overview

The Russell 2000® Index is an index calculated, published and disseminated by FTSE Russell, and measures the composite price performance of stocks of 2,000 companies incorporated in the U.S. and its territories. All 2,000 stocks are traded on a major U.S. exchange and are the 2,000 smallest securities that form the Russell 3000® Index. The Russell 3000® Index is composed of the 3,000 largest U.S. companies as determined by market capitalization and represents approximately 98% of the U.S. equity market. The Russell 2000® Index consists of the smallest 2,000 companies included in the Russell 3000® Index and represents a small portion of the total market capitalization of the Russell 3000® Index. The Russell 2000® Index is designed to track the performance of the small capitalization segment of the U.S. equity market. For additional information about the Russell 2000® Index, see the information set forth under “Russell 2000® Index” in the accompanying index supplement.

Information as of market close on April 25, 2019:

|                                     |           |
|-------------------------------------|-----------|
| <b>Bloomberg Ticker Symbol:</b>     | RTY       |
| <b>Current Index Value:</b>         | 1,575.612 |
| <b>52 Weeks Ago:</b>                | 1,550.467 |
| <b>52 Week High (on 8/31/2018):</b> | 1,740.753 |
| <b>52 Week Low (on 12/24/2018):</b> | 1,266.925 |

The following graph sets forth the daily closing values of the RTY Index for the period from January 1, 2014 through April 25, 2019. The related table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the RTY Index for each quarter in the same period. The closing value of the RTY Index on April 25, 2019 was 1,575.612. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The RTY Index has at times experienced periods of high volatility, and you should not take the historical values of the RTY Index as an indication of its future performance.

RTY Index Daily Closing Values  
January 1, 2014 to April 25, 2019

Morgan Stanley Finance LLC

Trigger PLUS Based on the Value of Worst Performing of the S&P 500® Index and the Russell 2000® Index due May 31, 2024

Trigger Performance Leveraged Upside Securities<sup>SM</sup>

Principal at Risk Securities

| <b>Russell 2000® Index</b> | <b>High</b> | <b>Low</b> | <b>Period End</b> |
|----------------------------|-------------|------------|-------------------|
| <b>2014</b>                |             |            |                   |
| First Quarter              | 1,208.651   | 1,093.594  | 1,173.038         |
| Second Quarter             | 1,192.960   | 1,095.986  | 1,192.960         |
| Third Quarter              | 1,208.150   | 1,101.676  | 1,101.676         |
| Fourth Quarter             | 1,219.109   | 1,049.303  | 1,204.696         |
| <b>2015</b>                |             |            |                   |
| First Quarter              | 1,266.373   | 1,154.709  | 1,252.772         |
| Second Quarter             | 1,295.799   | 1,215.417  | 1,253.947         |
| Third Quarter              | 1,273.328   | 1,083.907  | 1,100.688         |
| Fourth Quarter             | 1,204.159   | 1,097.552  | 1,135.889         |
| <b>2016</b>                |             |            |                   |
| First Quarter              | 1,114.028   | 953.715    | 1,114.028         |
| Second Quarter             | 1,188.954   | 1,089.646  | 1,151.923         |
| Third Quarter              | 1,263.438   | 1,139.453  | 1,251.646         |
| Fourth Quarter             | 1,388.073   | 1,156.885  | 1,357.130         |
| <b>2017</b>                |             |            |                   |
| First Quarter              | 1,413.635   |            |                   |