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Morgan Stanley Finance LLC

Preliminary Pricing Supplement No. 1,267
Registration Statement Nos. 333-221595; 333-221595-01
Dated December 3, 2018
Filed pursuant to Rule 424(b)(2)

Structured Investments

Opportunities in U.S. Equities

Contingent Income Securities due December 27, 2033

Payments on the Securities Based on the Worst Performing of the Russell 2000® Index and the S&P 500® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities offered are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying prospectus supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest after the first 5 years. For the first 5 years, the securities will pay a fixed quarterly coupon at the rate specified below. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each of the Russell 2000® Index and the S&P 500® Index** on the related observation date is **at or above 65% of its respective initial index value**, which we refer to as the coupon barrier level. If the index closing value **of either underlying index** is less than the coupon barrier level for such index on any observation date after the first 5 years, we will pay no interest for the related interest period. At maturity, if 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 downside threshold level, the payment at maturity will be the stated principal amount, and, if the final index value of **each** underlying index is also greater than or equal to its respective coupon barrier level, the related contingent quarterly coupon. If, however, the final index value of **either** underlying index is less than its downside threshold level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment based on the performance of either index and also the risk of not receiving any contingent quarterly coupons after the first 5 years.** Because payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective coupon barrier level and/or respective downside threshold level, as applicable, of **either** underlying index will result in few or no contingent quarterly coupons after the first 5 years and/or a significant loss of your investment, as applicable, even if the other underlying index has appreciated or has not declined as much. Investors will not participate in any appreciation in either underlying index. These long-dated securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly interest after the first 5 years if **either underlying index** closes below the coupon barrier level for such index on the observation dates. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

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

SUMMARY TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying indices:	Russell 2000® Index (the "RTY Index") and S&P 500® Index (the "SPX Index")
Aggregate principal amount:	$
Stated principal amount:	$1,000 per security
Issue price:	$1,000 per security (see "Commissions and issue price" below)
Pricing date:	December 21, 2018
Original issue date:	December 27, 2018 (3 business days after the pricing date)
Maturity date:	December 27, 2033
Quarterly coupon:	Years 1-5: On all coupon payment dates through December 2023, a fixed coupon at an annual rate of 6.50% (corresponding to approximately $16.25 per quarter per security) is paid quarterly. Years 6-15: Beginning with the March 2024 coupon payment date, a *contingent* coupon at an annual rate of 6.50% (corresponding to approximately $16.25 per quarter per security) is paid quarterly *but only if* the closing value of **each underlying index** is **at or above** its respective coupon barrier level on the related observation date. **If, on any observation date in years 6-15, the closing value of either underlying index is less than the coupon barrier level for such index, we will pay no coupon for the applicable interest period. It is possible that one or both underlying indices will remain below the respective coupon barrier level(s) for extended periods of time or even throughout years 6-15 so that you will receive few or no contingent quarterly coupons during that period.**
Payment at maturity:	If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level: the stated principal amount, and, if the final index value of **each** underlying index is also **greater than or equal to** its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date. If the final index value of **either** underlying index is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

Terms continued on the following page

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 $911.40 per security, or within $40.00 of that estimate. See "Investment Overview" beginning on page 4.		
Commissions and issue price:	**Price to public(1)**	**Agent's commissions(2)**	**Proceeds to us(3)**
Per security	$1,000	$	$
Total	$	$	$

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

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

(3) See "Use of proceeds and hedging" on page 28.

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 11.

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

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

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

References to "we," "us" and "our" refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Prospectus Supplement dated November 16, 2017 **Index Supplement dated November 16, 2017** **Prospectus dated November 16, 2017**

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Terms continued from previous page:

Coupon barrier level:	With respect to the RTY Index: , which is 65% of the initial index value for such index With respect to the SPX Index: , which is 65% of the initial index value for such index
Downside threshold level:	With respect to the RTY Index: , which is 50% of the initial index value for such index With respect to the SPX Index: , which is 50% of the initial index value for such index
Initial index value:	With respect to the RTY Index: , which is the index closing value of such index on the pricing date With respect to the SPX Index: , which is the index closing value of such index on the pricing date
Final index value:	With respect to each index, the respective index closing value on the final observation date
Worst performing underlying index:	The underlying index with the larger percentage decrease from the respective initial index value to the respective final index value
Index performance factor:	Final index value *divided by* the initial index value
Coupon payment dates:	Quarterly, as set forth under "Observation Dates and Coupon Payment Dates" below. If any such day is not a business day, that contingent quarterly coupon, if any, will be paid on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day. The contingent quarterly coupon, if any, with respect to the final observation date shall be paid on the maturity date.
Observation dates:	Quarterly, beginning on March 21, 2024, as set forth under "Observation Dates and Coupon Payment Dates" below, subject to postponement for non-index business days and certain market disruption events. We also refer to December 21, 2033 as the final observation date.
CUSIP / ISIN:	61768DSY2 / US61768DSY21
Listing:	The securities will not be listed on any securities exchange.

Observation Dates and Coupon Payment Dates

Observation Dates	Coupon Payment Dates
N/A	March 26, 2019
N/A	June 26, 2019
N/A	September 26, 2019
N/A	December 27, 2019
N/A	March 26, 2020
N/A	June 25, 2020

N/A	September 24, 2020
N/A	December 24, 2020
N/A	March 25, 2021
N/A	June 24, 2021
N/A	September 24, 2021
N/A	December 27, 2021
N/A	March 24, 2022
N/A	June 24, 2022
N/A	September 26, 2022
N/A	December 27, 2022
N/A	March 24, 2023
N/A	June 26, 2023
N/A	September 26, 2023
N/A	December 27, 2023
March 21, 2024	March 26, 2024
June 21, 2024	June 26, 2024
September 23, 2024	September 26, 2024
December 23, 2024	December 27, 2024
March 21, 2025	March 26, 2025
June 23, 2025	June 26, 2025
September 22, 2025	September 25, 2025
December 22, 2025	December 26, 2025
March 23, 2026	March 26, 2026
June 22, 2026	June 25, 2026
September 21, 2026	September 24, 2026
December 21, 2026	December 24, 2026
March 22, 2027	March 25, 2027
June 21, 2027	June 24, 2027
September 21, 2027	September 24, 2027
December 21, 2027	December 27, 2027
March 21, 2028	March 24, 2028

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June 21, 2028	June 26, 2028
September 21, 2028	September 26, 2028
December 21, 2028	December 27, 2028
March 21, 2029	March 26, 2029
June 21, 2029	June 26, 2029
September 21, 2029	September 26, 2029
December 21, 2029	December 27, 2029
March 21, 2030	March 26, 2030
June 21, 2030	June 26, 2030
September 23, 2030	September 26, 2030
December 23, 2030	December 27, 2030
March 21, 2031	March 26, 2031
June 23, 2031	June 26, 2031
September 22, 2031	September 25, 2031
December 22, 2031	December 26, 2031
March 22, 2032	March 25, 2032
June 21, 2032	June 24, 2032
September 21, 2032	September 24, 2032
December 21, 2032	December 27, 2032
March 21, 2033	March 24, 2033
June 21, 2033	June 24, 2033
September 21, 2033	September 26, 2033
December 21, 2033 (final observation date)	December 27, 2033 (maturity date)

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Investment Overview

Contingent Income Securities

Principal at Risk Securities

Contingent Income Securities due December 27, 2033 Payments on the Securities Based on the Worst Performing of the Russell 2000® Index and the S&P 500® Index (the "securities") do not guarantee the repayment of principal and do not provide for the regular payment of interest after the first 5 years. For the first 5 years, the securities will pay a fixed quarterly coupon at the rate specified below. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each of the Russell 2000® Index and the S&P 500® Index** (which we refer to together as the "underlying indices") is **at or above** 65% of its respective initial index value, which we refer to as the coupon barrier level, on the related observation date. If the index closing value **of either underlying index** is less than the coupon barrier level for such index on any observation date after the first 5 years, we will pay no coupon for the related quarterly period. It is possible that the index closing value of one or both underlying indices will remain below the respective coupon barrier level(s) for extended periods of time or even throughout years 6-15 so that you will receive few or no contingent quarterly coupons during that period. We refer to the coupon on the securities after the first 5 years as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date during that period. Even if an underlying index were to be at or above the coupon barrier level for such index on some quarterly observation dates, it may fluctuate below the coupon barrier level on others. In addition, even if one underlying index were to be at or above the coupon barrier level for such index on all quarterly observation dates, you will receive a contingent quarterly coupon only with respect to the observation dates on which the other underlying index is also at or above the coupon barrier level for such index, if any. At maturity, if 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 downside threshold level, the payment at maturity will be the stated principal amount, and, if the final index value of **each** underlying index is also greater than or equal to its respective coupon barrier level, the related contingent quarterly coupon. If, however, the final index value of **either** underlying index is less than its downside threshold level, investors will be exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment based on the performance of either index and also the risk of not receiving any contingent quarterly coupons after the first 5 years.**

Maturity:	15 years
Contingent quarterly coupon:	Years 1-5: On all coupon payment dates through December 2023, a fixed coupon at an annual rate of 6.50% (corresponding to approximately $16.25 per quarter per security) is paid quarterly.

Years 6-15: Beginning with the March 2024 coupon payment date, a *contingent* coupon at an annual rate of 6.50% (corresponding to approximately $16.25 per quarter per security) is paid quarterly *but only if* the closing value of **each underlying index** is **at or above** its respective coupon barrier level on the related observation date.

If, on any observation date, the closing value of either underlying index is less than the coupon barrier level for such index, we will pay no coupon for the applicable interest period. It is possible that one or both underlying indices will remain below the respective coupon barrier level(s) for extended periods of time or even throughout years 6-15 so that you will receive few or no contingent quarterly coupons during that period.

Payment at maturity:

If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level: the stated principal amount, and, if the final index value of **each** underlying index is also **greater than or equal to** its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date.

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

We are using this preliminary 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.

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Morgan Stanley clients may contact their local Morgan Stanley branch office or our 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.

The original issue price of each security is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date will be less than $1,000. We estimate that the value of each security on the pricing date will be approximately $911.40, or within $40.00 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 indices. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying indices, instruments based on the underlying indices, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

What determines the economic terms of the securities?

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

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

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 18 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

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

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Key Investment Rationale

The securities provide for fixed quarterly coupon payments at the rate specified herein for the first 5 years. Thereafter, the securities do not provide for the regular payment of interest and instead will pay a contingent quarterly coupon **but only if** the index closing value of **each underlying index** is **at or above** 65% of its initial index value, which we refer to as the coupon barrier level, on the related observation date. The following scenarios are for illustration purposes only to demonstrate how the payment at maturity and contingent quarterly coupon are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the contingent quarterly coupon may be payable with respect to none of, or some but not all of, the quarterly periods during years 6-15, and the payment at maturity may be less than 50% of the stated principal amount and could be zero. Investors will not participate in any appreciation in either underlying index.

Scenario 1: A contingent quarterly coupon is paid for all interest periods, and investors receive principal back at maturity, which is the best-case scenario.	This scenario assumes that during years 6-15, each underlying index closes at or above its respective coupon barrier level on every quarterly observation date. Investors receive the fixed quarterly coupon for the quarterly interest periods during the first 5 years, and investors receive the contingent quarterly coupon for each interest period during years 6-15. At maturity, each underlying index closes above its respective downside threshold level and coupon barrier level, and so investors receive the stated principal amount and the contingent quarterly coupon with respect to the final observation date.
Scenario 2: A contingent quarterly coupon is paid for some, but not all, interest periods, and investors receive principal back at maturity.	This scenario assumes that each underlying index closes at or above its respective coupon barrier level on some quarterly observation dates after the first 5 years, but one or both underlying indices close below the respective coupon barrier level(s) for such index on the others. Investors receive the fixed quarterly coupon for the quarterly interest periods during the first 5 years. Investors receive the contingent quarterly coupon for the quarterly interest periods during years 6-15 for which the index closing value of each underlying index is at or above its respective coupon barrier level on the related observation date, but not for the interest periods for which one or both underlying indices close below the respective coupon barrier level(s) on the related observation date. On the final observation date, each underlying index closes at or above its downside threshold level. At maturity, investors receive the stated principal amount and, if the final index value of each underlying index is also greater than or equal to its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date.
Scenario 3: No contingent quarterly coupon is paid for any interest period during years 6-15,	This scenario assumes that one or both underlying indices close below the respective coupon barrier level(s) on every quarterly observation date during years 6-15. Investors receive the fixed quarterly coupon for the quarterly interest periods during the first 5 years. However, since one or both underlying indices close below the respective coupon barrier level(s) on every quarterly observation date during years 6-15, investors do not receive any contingent quarterly

and investors suffer a substantial loss of principal at maturity.	coupon during that period. On the final observation date, one or both underlying indices close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount and could be zero.

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Underlying Indices Summary

Russell 2000® Index

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.

Information as of market close on November 27, 2018:

Bloomberg Ticker Symbol:	RTY
Current Index Value:	1,492.855
52 Weeks Ago:	1,513.309
52 Week High (on 8/31/2018):	1,740.753
52 Week Low (on 2/8/2018):	1,463.793

For additional information about the Russell 2000® Index, see the information set forth under "Russell 2000® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "Russell 2000® Index Historical Performance" below.

S&P 500® Index

The S&P 500® Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC ("S&P"), consists of stocks of 500 component companies 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.

Information as of market close on November 27, 2018:

Bloomberg Ticker Symbol:	SPX
Current Index Value:	2,682.17
52 Weeks Ago:	2,601.42
52 Week High (on 9/20/2018):	2,930.75
52 Week Low (on 2/8/2018):	2,581.00

For additional information about the S&P 500® Index, see the information set forth under "S&P 500® Index" in the accompanying index supplement. Furthermore, for additional historical information, see "S&P 500® Index Historical Performance" below.

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Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent quarterly coupon is paid with respect to an observation date and how to calculate the payment at maturity. The following examples are for illustrative purposes only. For the first 5 years, you will receive a fixed quarterly coupon at a rate of 6.50% per annum regardless of the performance of the underlying indices. Whether you receive a contingent quarterly coupon after the first 5 years will be determined by reference to the index closing value of each underlying index on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final index value of each underlying index on the final observation date. The actual initial index value, coupon barrier level and downside threshold level for each underlying index will be determined on the pricing date. All payments on the securities, if any, are subject to our credit risk. The below examples are based on the following terms:

Contingent Quarterly Coupon:	Years 1-5: On all coupon payment dates through December 2023, a fixed coupon at an annual rate of 6.50% (corresponding to approximately \$16.25 per quarter per security) is paid quarterly. Years 6-15: Beginning with the March 2024 coupon payment date, a *contingent* coupon at an annual rate of 6.50% (corresponding to approximately \$16.25 per quarter per security) is paid quarterly *but only if* the closing value of **each underlying index** is **at or above** its respective coupon barrier level on the related observation date.* **If, on any observation date in years 6-15, the closing value of either underlying index is less than the coupon barrier level for such index, we will pay no coupon for the applicable interest period. It is possible that one or both underlying indices will remain below the respective coupon barrier level(s) for extended periods of time or even throughout years 6-15 so that you will receive few or no contingent quarterly coupons during that period.**
Payment at Maturity:	If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level: the stated principal amount, and, if the final index value of **each** underlying index is also **greater than or equal to** its respective coupon barrier level, the contingent quarterly coupon with respect to the final observation date. If the final index value of **either** underlying index is **less than** its respective downside threshold level: (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

Stated Principal Amount:	$1,000
Hypothetical Initial Index Value:	With respect to the RTY Index: 1,650 With respect to the SPX Index: 2,800
Hypothetical Coupon Barrier Level:	With respect to the RTY Index: 1,072.50, which is 65% of the hypothetical initial index value for such index With respect to the SPX Index: 1,820, which is 65% of the hypothetical initial index value for such index
Hypothetical Downside Threshold Level:	With respect to the RTY Index: 825, which is 50% of the hypothetical initial index value for such index With respect to the SPX Index: 1,400, which is 50% of the hypothetical initial index value for such index

* The actual quarterly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 basis. The hypothetical quarterly coupon of $16.25 is used in these examples for ease of analysis.

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How to determine whether a contingent quarterly coupon is payable with respect to an observation date during years 6-15:

	Index Closing Value		Contingent Quarterly Coupon
	RTY Index	SPX Index	
Hypothetical Observation Date 1	1,100 (**at or above** coupon barrier level)	1,900 (**at or above** coupon barrier level)	$16.25
Hypothetical Observation Date 2	1,200 (**at or above** coupon barrier level)	1,000 (**below** coupon barrier level)	$0
Hypothetical Observation Date 3	500 (**below** coupon barrier level)	2,000 (**at or above** coupon barrier level)	$0
Hypothetical Observation Date 4	500 (**below** coupon barrier level)	1,100 (**below** coupon barrier level)	$0

On hypothetical observation date 1, both the RTY Index and SPX Index close at or above their respective coupon barrier levels. Therefore a contingent quarterly coupon of $16.25 is paid on the relevant coupon payment date.

On each of the hypothetical observation dates 2 and 3, one underlying index closes at or above its coupon barrier level but the other underlying index closes below its coupon barrier level. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

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

Beginning after 5 years, you will not receive a contingent quarterly coupon on any coupon payment date if the closing value of either underlying index is below its respective coupon barrier level on the related observation date.

How to calculate the payment at maturity:

	Final Index Value		Payment at Maturity
	RTY Index	SPX Index	
Example 1:	2,000 (**at or above** the downside threshold level and coupon barrier level)	3,000 (**at or above** the downside threshold level and coupon barrier level)	$1,016.25 (the stated principal amount *plus* the contingent quarterly coupon with respect to the final observation date)
Example 2:	900 (**at or above** the downside threshold level but **below** the coupon barrier level)	1,950 (**at or above** the downside threshold level and coupon barrier level)	$1,000 (the stated principal amount)
Example 3:	1,150 (**at or above** the downside threshold level)	1,120 (**below** the downside threshold level)	$1,000 x index performance factor of the worst performing underlying = $1,000 x (1,120 / 2,800) = $400
Example 4:	660 (**below** the downside threshold level)	1,800 (**at or above** the downside threshold level)	$1,000 x (660/ 1,650) = $400
Example 5:	412.50 (**below** the downside threshold level)	1,120 (**below** the downside threshold level)	$1,000 x (412.50 / 1,650) = $250
Example 6:	660 (**below** the downside threshold level)	840 (**below** the downside threshold level)	$1,000 x (840 / 2,800) = $300

In example 1, the final index values of both the RTY Index and SPX Index are at or above their downside threshold levels and coupon barrier levels. Therefore, investors receive at maturity the stated principal amount of the securities and the contingent quarterly coupon with respect to the final observation date. Investors do not participate in any appreciation of either underlying index.

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In example 2, the final index values of both the RTY Index and the SPX Index are at or above their downside threshold levels. However, the final index value of the RTY Index is below its coupon barrier level. Therefore, investors receive at maturity the stated principal amount of the securities but do not receive the contingent quarterly coupon with respect to the final observation date.

In examples 3 and 4, the final index value of one underlying index is at or above its downside threshold level but the final index value of the other underlying index is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity and receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index.

Similarly, in examples 5 and 6, the final index value of each underlying index is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. In example 5, the RTY Index has declined 75% from its initial index value to its final index value, while the SPX Index has declined 60% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the RTY Index, which is the worst performing underlying index in this example. In example 6, the RTY Index has declined 60% from its initial index value, while the SPX Index has declined 70% from its initial index value to its final index value. Therefore the payment at maturity equals the stated principal amount *times* the index performance factor of the SPX Index, which is the worst performing underlying index in this example.

If the final index value of EITHER underlying index is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying index at maturity, and your payment at maturity will be less than $500 per security and could be zero.

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Risk Factors

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

§ **The securities do not guarantee the return of any principal.** The terms of the securities differ from those of ordinary debt securities in that they do not guarantee the repayment of principal. If the final index value of either underlying index is less than its downside threshold level of 50% of its initial index value, you will be exposed to the decline in the closing value of the worst performing underlying index, as compared to its initial index value, on a 1-to-1 basis, and you will receive for each security that you hold at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. **In this case, the payment at maturity will be less than 50% of the stated principal amount and could be zero.**

§ **After the first 5 years, the securities do not provide for regular interest payments.** The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest after the first 5 years. For the first 5 years, the securities will pay a fixed quarterly coupon at the rate specified herein. Thereafter, the securities will pay a contingent quarterly coupon only if the index closing value of each underlying index is at or above 65% of its respective initial index value, which we refer to as the coupon barrier level, on the related observation date. If, on the other hand, the index closing value of either underlying index is lower than the coupon barrier level for such index on the relevant observation date for any interest period during years 6-15, we will pay no coupon on the applicable coupon payment date. It is possible that the index closing value of one or both underlying indices will remain below the respective coupon barrier level(s) for extended periods of time or even throughout years 6-15 so that you will receive few or no contingent quarterly coupons during that period. If you do not earn sufficient contingent quarterly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ **You are exposed to the price risk of both underlying indices, with respect to both the contingent quarterly coupons after the first 5 years, if any, and the payment at maturity, if any.** Your return on the securities is not linked to a basket consisting of both underlying indices. Rather, it will be contingent 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 securities may negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying index. To receive any contingent quarterly coupons after the first 5 years, **each** underlying index must close at or above its respective coupon barrier level on the applicable observation date. In addition, if **either** underlying index has declined to below its respective downside threshold level as of the final observation date, you will be **fully exposed** to the decline in the worst performing underlying index over the term of the securities on a 1-to-1 basis, even if the other underlying index has appreciated or not declined as much. Under this scenario, the value of any such payment will be less than 50% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of both underlying indices.

§ **Because the securities are linked to the performance of the worst performing underlying index, you are exposed to greater risks of receiving no contingent quarterly coupons and sustaining a significant loss on your investment than if the securities were linked to just one index.** The risk that you will not receive any contingent quarterly coupons after the first 5 years, or that you will suffer a significant loss on your investment, is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one underlying index. With two underlying indices, it is more likely that either underlying index will close below its coupon barrier level on any observation date, or its downside threshold level on the final observation date, than if the securities were linked to only one underlying index. Therefore, it is more likely that you will not receive any contingent quarterly coupons and that you will suffer a significant loss on your investment.

§ **The contingent quarterly coupon, if any, is based only on the value of each underlying index on the related quarterly observation date at the end of the related interest period.** Whether the contingent quarterly coupon will be

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paid on any coupon payment date during years 6-15 will be determined at the end of the relevant interest period, based on the closing value of each underlying index on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent quarterly coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent quarterly coupon is based solely on the value of each underlying index on quarterly observation dates, if the closing value of either underlying index on any observation date is below the coupon barrier level for such index, you will receive no coupon for the related interest period, even if the level of such underlying index was at or above its respective coupon barrier level on other days during that interest period and even if the closing value of the other underlying index is at or above the coupon barrier level for such index.

§ **Investors will not participate in any appreciation in either underlying index.** Investors will not participate in any appreciation in either underlying index from the initial index value for such index, and the return on the securities will be limited to the fixed quarterly coupons and the contingent quarterly coupons, if any, that are paid with respect to each observation date during years 6-15 on which the index closing value of each underlying index is greater than or equal to its respective coupon barrier level.

§ **The securities 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 securities 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 market price will be influenced by many unpredictable factors.** Several factors, many 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 generally the level of interest rates available in the market and the value of each underlying index on any day, including in relation to its respective coupon barrier level and downside threshold level, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

o the volatility (frequency and magnitude of changes in value) of the underlying indices,

- o whether the index closing value of either underlying index has been below its respective coupon barrier level on any observation date,
- o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying indices or securities markets generally and which may affect the value of each underlying index,
- o dividend rates on the securities underlying the underlying indices,
- o the time remaining until the securities mature,
- o interest and yield rates in the market,
- o the availability of comparable instruments,
- o the composition of the underlying indices and changes in the constituent stocks of such indices, and
- o any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you sell your securities prior to maturity. Generally, the longer the time remaining to maturity, the more the market price of the securities will be affected by the other factors described above. In particular, if either underlying index has closed near or below its coupon barrier level, and

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especially if either underlying index has closed near or below its downside threshold level, the market value of the securities is expected to decrease substantially and you may have to sell your securities at a substantial discount from the stated principal amount of $1,000 per security.

You cannot predict the future performance of either underlying index based on its historical performance. The value of either underlying index may decrease and be below the coupon barrier level for such index on each observation date so that you will receive no return on your investment after the first 5 years, and one or both underlying indices may close below the respective downside threshold level(s) on the final observation date so that you lose more than 50% or all of your initial investment in the securities. There can be no assurance that the closing value of each underlying index will be at or above the respective coupon barrier level on any observation date so that you will receive a coupon payment on the securities for the applicable interest period or that they will be at or above their respective downside threshold levels on the final observation date so that you do not suffer a significant loss on your initial investment in the securities. See “Russell 2000® Index Historical Performance” and “S&P 500® Index Historical Performance” below.

§ **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 at maturity or on any coupon payment date, and therefore you are subject to our credit risk. The securities are not guaranteed by any other entity. If we default on its 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.

§ **Not equivalent to investing in the underlying indices.** Investing in the securities is not equivalent to investing in either underlying index or the component stocks of either underlying index. Investors in the securities will not participate in any positive performance of either underlying index, and 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.

§ **The securities will not be listed on any securities exchange and secondary trading may be limited. Accordingly, you should be willing to hold your securities for the entire 15-year term of the securities**. 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.

§ **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.

However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 18 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that those higher values will also be reflected in your brokerage account statements.

§ **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 document 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 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 indices or their 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 securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. Some of our 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 (i) the coupon barrier level for such underlying index, which is the value at or above which such underlying index must close on the observation dates in order for you to earn a contingent quarterly coupon (depending also on the performance of the other underlying index), and (ii) the downside threshold level for such underlying index, which is the value at or above which the underlying index must close on the final observation date so that you are not exposed to the negative performance of the worst performing underlying index at maturity (depending also on the performance of the other underlying index). Additionally, such hedging or trading activities during the term of the securities could affect the value of an underlying index on the observation dates, and, accordingly, whether we pay a contingent quarterly coupon on the securities and the amount of cash you receive at maturity, if any (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 securities.** As calculation agent, MS & Co. will determine the initial index value, coupon barrier level and downside threshold level for each underlying index, the payment at maturity, if any, and whether you receive a contingent quarterly coupon on each coupon payment date after the first 5 years and 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 index closing value in the event of a market disruption event or discontinuance of an underlying index. These potentially subjective determinations may affect the payout to you at maturity, if any. For further information regarding these types of determinations, see “Additional Terms of the Securities—Calculation

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agent," "—Market disruption event," "—Postponement of observation dates," "—Discontinuance of an underlying index; alter of method of calculation" and "—Alternate exchange calculation in case of an event of default" below. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

§ **Adjustments to the underlying indices could adversely affect the value of the securities.** The publisher of each underlying index may add, delete or substitute the component stocks of such underlying index or make other methodological changes that could change the value of such underlying index. Any of these actions could adversely affect the value of the securities. The publisher of each underlying index may also discontinue or suspend calculation or publication of such underlying index at any time. In these circumstances, MS & Co., as the calculation agent, will have the sole discretion to substitute a successor index that is comparable to the discontinued index. MS & Co. could have an economic interest that is different than that of investors in the securities insofar as, for example, MS & Co. is permitted to consider indices that are calculated and published by MS & Co. or any of its affiliates. If MS & Co. determines that there is no appropriate successor index on any observation date, the determination of whether a contingent quarterly coupon will be payable on the securities on the applicable coupon payment date, and/or the amount payable at maturity, will be based on the value of such underlying index, based on the closing prices of the stocks constituting such underlying index at the time of such discontinuance, without rebalancing or substitution, computed by MS & Co. as calculation agent in accordance with the formula for calculating such underlying index last in effect prior to such discontinuance, as compared to the coupon barrier level or downside threshold level, as applicable (depending also on the performance of the other underlying index).

§ **The U.S. federal income tax consequences of an investment in the securities are uncertain.** There is no direct legal authority as to the proper treatment of the securities for U.S. federal income tax purposes, and, therefore, significant aspects of the tax treatment of the securities are uncertain.

Please read the discussion under "Additional Information—Tax considerations" in this document concerning the U.S. federal income tax consequences of an investment in the securities. We intend to treat a security for U.S. federal income tax purposes as a single financial contract that provides for a coupon that will be treated as gross income to you at the time received or accrued, in accordance with your regular method of tax accounting. Under this treatment, the ordinary income treatment of the coupon payments, in conjunction with the capital loss treatment of any loss recognized upon the sale, exchange or settlement of the securities, could result in adverse tax consequences to holders of the securities because the deductibility of capital losses is subject to limitations. We do not plan to request a ruling from the Internal Revenue Service (the "IRS") regarding the tax treatment of the securities, and the IRS or a court may not agree with the tax treatment described herein. If the IRS were successful in asserting an alternative treatment for the securities, the timing and character of income or loss on the securities might differ significantly from the tax treatment described herein. For example, under one possible treatment, the IRS could seek to recharacterize the securities as debt instruments. In that event, U.S. Holders (as defined below) would be required to accrue into income original issue discount on the securities every year at a "comparable yield" determined at the time of issuance (as adjusted based on the difference, if any, between the actual and the projected amount of any contingent payments on the securities) and recognize all income and gain in respect of the securities as ordinary income. 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.

Non-U.S. Holders (as defined below) should note that we currently intend to withhold on any coupon paid to Non-U.S. Holders generally at a rate of 30%, or at a reduced rate specified by an applicable income tax treaty under an "other income" or similar provision, and will not be required to pay any additional amounts with respect to amounts withheld.

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. While it is not clear whether the securities would be viewed as similar to the prepaid forward contracts described in the notice, it is possible that 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. The notice focuses on a number of issues, the most relevant of which for holders of the securities are the character and timing of income or loss and the degree, if any, to which income realized by non-U.S. investors should be subject to withholding tax. 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 securities, 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.

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Russell 2000® Index Historical Performance

The following graph sets forth the daily closing values of the RTY Index for the period from January 1, 2008 through November 27, 2018. 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 for the period from January 1, 2013 through November 27, 2018. The closing value of the underlying index on November 27, 2018 was 1,492.855. 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. No assurance can be given as to the closing level of the RTY Index on any observation date, including the final observation date.

RTY Index Daily Closing Values

January 1, 2008 to November 27, 2018

**The black solid line in the graph indicates the hypothetical coupon barrier level, and the red solid line indicates the hypothetical downside threshold level, in each case assuming the index closing value on November 27, 2018 were the initial index value.*

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Russell 2000® Index	High	Low	Period End
2013			
First Quarter	953.07	872.61	951.54
Second Quarter	999.99	901.51	977.48
Third Quarter	1,078.41	989.54	1,073.79
Fourth Quarter	1,163.64	1,043.46	1,163.64
2014			
First Quarter	1,208.651	1,093.594	1,173.038
Second Quarter	1,192.964	1,095.986	1,192.964
Third Quarter	1,208.150	1,101.676	1,101.676
Fourth Quarter	1,219.109	1,049.303	1,204.696
2015			
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
2016			
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
2017			
First Quarter	1,413.635	1,345.598	1,385.920
Second Quarter	1,425.985	1,345.244	1,415.359
Third Quarter	1,490.861	1,356.905	1,490.861
Fourth Quarter	1,548.926	1,464.095	1,535.511
2018			
First Quarter	1,610.706	1,463.793	1,529.427
Second Quarter	1,706.985	1,492.531	1,643.069
Third Quarter	1,740.753	1,653.132	1,696.571
Fourth Quarter (through November 27, 2018)	1,672.992	1,468.698	1,492.855

The "Russell 2000® Index" is a trademark of FTSE Russell. For more information, see "Russell 2000® Index" in the accompanying index supplement.

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S&P 500® Index Historical Performance

The following graph sets forth the daily closing values of the SPX Index for the period from January 1, 2008 through November 27, 2018. 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 for the period from January 1, 2013 through November 27, 2018. The closing value of the SPX Index on November 27, 2018 was 2,682.17. 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. No assurance can be given as to the closing level of the SPX Index on any observation date, including the final observation date.

SPX Index Daily Closing Values
January 1, 2008 to November 27, 2018

**The black solid line in the graph indicates the hypothetical coupon barrier level, and the red solid line indicates the hypothetical downside threshold level, in each case assuming the index closing value on November 27, 2018 were the initial index value.*

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S&P 500® Index	**High**	**Low**	**Period End**
2013			
First Quarter	1,569.19	1,457.15	1,569.19
Second Quarter	1,669.16	1,541.61	1,606.28
Third Quarter	1,725.52	1,614.08	1,681.55
Fourth Quarter	1,848.36	1,655.45	1,848.36
2014			
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
2015			
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
2016			
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
2017			
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
2018			
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 (through November 27, 2018)	2,925.51	2,632.56	2,682.17

"Standard & Poor's®," "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® Index" in the accompanying index supplement.

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Additional Terms of the Securities

Please read this information in conjunction with the summary terms on the front cover of this preliminary pricing supplement.

Additional Terms:

If the terms described herein are inconsistent with those described in the accompanying product supplement, index supplement or prospectus, the terms described herein shall control.

Day count convention:	Interest will be computed on the basis of a 360-day year of twelve 30-day months.
Underlying index publishers:	With respect to the RTY Index, FTSE Russell With respect to the SPX Index, S&P Dow Jones Indices LLC
Denominations:	$1,000 per security and integral multiples thereof
Interest period:	The quarterly period from and including the original issue date (in the case of the first interest period) or the previous scheduled coupon payment date, as applicable, to but excluding the following scheduled coupon payment date, with no adjustment for any postponement thereof.
Book entry security or certificated security:	Book entry. The securities will be issued in the form of one or more fully registered global securities which will be deposited with, or on behalf of, The Depositary Trust Company (the "depositary") and will be registered in the name of a nominee of the depositary. The depositary's nominee will be the only registered holder of the securities. Your beneficial interest in the securities will be evidenced solely by entries on the books of the securities intermediary acting on your behalf as a direct or indirect participant in the depositary. In this preliminary pricing supplement, all references to payments or notices to you will mean payments or notices to the depositary, as the registered holder of the securities, for distribution to participants in accordance with the depositary's procedures. For more information regarding the depositary and book entry notes, please read "The Depositary" in the accompanying prospectus supplement and "Forms of Securities—Global Securities—Registered Global Securities" in the accompanying prospectus.
Senior security or subordinated security:	Senior
Specified currency:	U.S. dollars
Record date:	One business day prior to the related scheduled coupon payment date; *provided* that any contingent quarterly coupon payable at maturity shall be payable to the person to whom the payment at maturity shall be payable.
Trustee:	The Bank of New York Mellon, a New York banking corporation
Calculation agent:	The calculation agent for the securities will be MS & Co. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you, the trustee and us.

All calculations with respect to the quarterly coupon, if any, and payment at maturity shall be made by the calculation agent and shall be rounded to the nearest one hundred-thousandth, with five one-millionths rounded upward (e.g., .876545 would be rounded to .87655); all dollar amounts related to determination of the amount of cash payable per stated principal amount, if any, shall be rounded to the nearest ten-thousandth, with five one hundred-thousandths rounded upward (e.g., .76545 would be rounded up to .7655); and all dollar amounts paid on the aggregate principal amount of the securities shall be rounded to the nearest cent, with one-half cent rounded upward.

Because the calculation agent is our affiliate, the economic interests of the calculation agent and its affiliates may be adverse to your interests as an investor in the securities, including with respect to certain determinations and judgments that the calculation agent must make in determining the payment that you will receive, if any, on each coupon payment date and at maturity or whether a market disruption event has occurred. See "Market disruption event" and "Discontinuance of an underlying index; alteration of method of calculation" below. MS & Co. is obligated to carry out its duties and functions as calculation agent in good faith and using its reasonable judgment.

Issuer notices to registered security holders, the trustee and the depositary:

In the event that the maturity date is postponed due to postponement of the final observation date, the issuer shall give notice of such postponement and, once it has been determined, of the date to which the maturity date has been rescheduled (i) to each registered holder of the securities by mailing notice of such postponement by first class mail, postage prepaid, to such registered holder's last address as it shall appear upon the registry books, (ii) to the trustee by facsimile, confirmed by mailing such notice to the trustee by first class mail, postage prepaid, at its New York office and (iii) to the depositary by telephone or facsimile confirmed by mailing such notice to the depositary by first class mail, postage prepaid. Any notice that is mailed to a registered holder of the securities in the manner herein provided shall be conclusively presumed to have been duly given to such registered holder, whether or not such registered holder receives the notice. The issuer shall give such notice as promptly as possible, and in no case later than (i) with respect to notice of postponement of the maturity date, the business day immediately preceding the scheduled maturity date and (ii) with respect to notice of the date to which the maturity date has been rescheduled, the business day

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immediately following the final observation date as postponed.

The issuer shall, or shall cause the calculation agent to, (i) provide written notice to the trustee, on which notice the trustee may conclusively rely, and to the depositary of the amount of cash to be delivered as quarterly coupon with respect to the securities on or prior to 10:30 a.m. (New York City time) on the business day preceding each coupon payment date, and (ii) deliver the aggregate cash amount due with respect to the applicable interest to the trustee for delivery to the depositary, as holder of the securities, on the applicable coupon payment date.

In the event that any coupon payment date is postponed due to the postponement of the relevant observation date, the issuer shall give notice of such postponement and, once it has been determined, of the date to which the applicable coupon payment date has been rescheduled (i) to each registered holder of the securities by mailing notice of such postponement by first class mail, postage prepaid, to such registered holder's last address as it shall appear upon the registry books, (ii) to the trustee by facsimile confirmed by mailing such notice to the trustee by first class mail, postage prepaid, at its New York office and (iii) to the depositary by telephone or facsimile confirmed by mailing such notice to the depositary by first class mail, postage prepaid. Any notice that is mailed to a registered holder of the securities in the manner herein provided shall be conclusively presumed to have been duly given to such registered holder, whether or not such registered holder receives the notice. The issuer shall give such notice as promptly as possible, and in no case later than (i) with respect to notice of postponement of any coupon payment date, the business day immediately preceding the applicable scheduled coupon payment date and (ii) with respect to notice of the date to which the applicable coupon payment date has been rescheduled, the business day immediately following the applicable observation date as postponed.

The issuer shall, or shall cause the calculation agent to, (i) provide written notice to the trustee, on which notice the trustee may conclusively rely, and to the depositary of the amount of cash, if any, to be delivered with respect to the securities, on or prior to 10:30 a.m. (New York City time) on the business day preceding the maturity date, and (ii) deliver the aggregate cash amount due with respect to the securities, if any, to the trustee for delivery to the depositary, as holder of the securities, on the maturity date.

Business day:	Any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in The City of New York.
Index business day:	With respect to each underlying index, a day, as determined by the calculation agent, on which trading is generally conducted on each of the relevant exchange(s) for such underlying index, other than a day on which trading on such exchange(s) is scheduled to close prior to the time of the posting of its regular final weekday closing price.
Index closing value:	With respect to the RTY Index, index closing value on any index business day means the closing value of such underlying index or any successor index reported by Bloomberg Financial Services, or any successor reporting service the calculation agent may select, on such index business day. In certain

circumstances, the index closing value for the RTY Index will be based on the alternate calculation of such underlying index as described under “Discontinuance of an underlying index; alteration of method of calculation” below.

The closing value of the RTY Index reported by Bloomberg Financial Services may be lower or higher than the official closing value of the RTY Index published by the underlying index publisher for such underlying index.

With respect to the SPX Index, index closing value on any index business day means the official closing value of such underlying index, or any successor index (as defined under “Discontinuance of an underlying index; alteration of method of calculation” below), published at the regular official weekday close of trading on such index business day by the underlying index publisher for the SPX Index, as determined by the calculation agent. In certain circumstances, the index closing value for the SPX Index will be based on the alternate calculation of such underlying index as described under “Discontinuance of an underlying index; alteration of method of calculation” below.

Market disruption event:

With respect to each underlying index, market disruption event means:

(i) the occurrence or existence of any of:

(a) a suspension, absence or material limitation of trading of securities then constituting 20 percent or more of the value of such underlying index (or a successor index) on the relevant exchange(s) for such securities for more than two hours of trading or during the one-half hour period preceding the close of the principal trading session on such relevant exchange(s), or

(b) a breakdown or failure in the price and trade reporting systems of any relevant exchange as a result of which the reported trading prices for securities then constituting 20 percent or more of the value of such underlying index (or a successor index) during the last one-half hour preceding the

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close of the principal trading session on such relevant exchange(s) are materially inaccurate, or

(c) the suspension, material limitation or absence of trading on any major U.S. securities market for trading in futures or options contracts or exchange-traded funds related to such underlying index (or a successor index) for more than two hours of trading or during the one-half hour period preceding the close of the principal trading session on such market,

in each case as determined by the calculation agent in its sole discretion; and

(ii) a determination by the calculation agent in its sole discretion that any event described in clause (i) above materially interfered with our ability or the ability of any of our affiliates to unwind or adjust all or a material portion of the hedge position with respect to the securities.

For the purpose of determining whether a market disruption event exists at any time with respect to an underlying index, if trading in a security included in such underlying index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the value of such underlying index shall be based on a comparison of (x) the portion of the value of such underlying index attributable to that security relative to (y) the overall value of such underlying index, in each case immediately before that suspension or limitation.

For the purpose of determining whether a market disruption event exists at any time with respect to an underlying index: (1) a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange or market, (2) a decision to permanently discontinue trading in the relevant futures or options contract or exchange-traded fund will not constitute a market disruption event, (3) a suspension of trading in futures or options contracts or exchange-traded funds on such underlying index by the primary securities market trading in such contracts or funds by reason of (a) a price change exceeding limits set by such securities exchange or market, (b) an imbalance of orders relating to such contracts or funds or (c) a disparity in bid and ask quotes relating to such contracts or funds will constitute a suspension, absence or material limitation of trading in futures or options contracts or exchange-traded funds related to such underlying index and (4) a "suspension, absence or material limitation of trading" on any relevant exchange or on the primary market on which futures or options contracts or exchange-traded funds related to such underlying index are traded will not include any time when such securities market is itself closed for trading under ordinary circumstances.

Relevant exchange:	With respect to each underlying index or its successor index, the primary exchange(s) or market(s) of trading for (i) any security then included in such index and (ii) any futures or options contracts related to such index or to any security then included in such index. The observation dates are subject to postponement due to non-index business days or certain market disruption events, as described in the following paragraph.
Postponement of observation dates:	If any scheduled observation date, including the final observation date, is not an index business day with respect to any underlying index or if there is a market disruption event on such day with respect to any underlying index, the relevant observation date solely with respect to that affected underlying index shall be the next succeeding index business day with respect to that underlying index on which there is no market disruption event with respect to that underlying index; *provided* that if a market disruption event with respect to that underlying index has occurred on each of the five index business days with respect to that underlying index immediately succeeding any of the scheduled observation dates, then (i) such fifth succeeding index business day shall be deemed to be the relevant observation date with respect to that affected underlying index, notwithstanding the occurrence of a market disruption event with respect to that underlying index on such day and (ii) with respect to any such fifth index business day on which a market disruption event occurs with respect to that underlying index, the calculation agent shall determine the index closing value on such fifth index business day in accordance with the formula for and method of calculating that underlying index last in effect prior to the commencement of the market disruption event, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) at the close of the principal trading session of the relevant exchange on such index business day of each security most recently constituting that affected underlying index without any rebalancing or substitution of such securities following the commencement of the market disruption event.
Postponement of coupon payment dates and maturity date:	If any scheduled coupon payment date is not a business day, that quarterly coupon, if any, shall be paid on the next succeeding business day; *provided* that the contingent quarterly coupon, if any, with respect to the final observation date shall be paid on the maturity date; *provided further* that if, due to a market disruption event or otherwise, any observation date with respect to either underlying index is postponed so that it falls less than two business days prior to the scheduled coupon payment date or maturity date, as applicable, the

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	coupon payment date or maturity date, as applicable, shall be postponed to the second business day following the observation date as postponed, by which date the index closing value of each underlying index has been determined. In any of these cases, no adjustment shall be made to any quarterly coupon payment made on that postponed date.
Discontinuance of an underlying index; alteration of method of calculation:	If any underlying index publisher discontinues publication of the relevant underlying index and such underlying index publisher or another entity (including MS & Co.) publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the discontinued index (such index being referred to herein as the "successor index"), then any subsequent index closing value for the discontinued index will be determined by reference to the published value of such successor index at the regular weekday close of trading on any index business day that the index closing value for such underlying index is to be determined, and, to the extent the index closing value of such successor index differs from the index closing value of the relevant underlying index at the time of such substitution, proportionate adjustments will be made by the calculation agent to the relevant initial index value, coupon barrier level and downside threshold level. Upon any selection by the calculation agent of a successor index, the calculation agent will cause written notice thereof to be furnished to the trustee, to us and to the depositary, as holder of the securities, within three business days of such selection. We expect that such notice will be made available to you, as a beneficial owner of the securities, in accordance with the standard rules and procedures of the depositary and its direct and indirect participants. If any underlying index publisher discontinues publication of the relevant underlying index or a successor index prior to, and such discontinuance is continuing on, any observation date and the calculation agent determines, in its sole discretion, that no successor index is available at such time, then the calculation agent will determine the index closing value for such underlying index for such date. The index closing value of such underlying index or such successor index will be computed by the calculation agent in accordance with the formula for and method of calculating such index last in effect prior to such discontinuance, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) at the close of the principal trading session of the relevant exchange on such date of each security most recently constituting such index without any rebalancing or substitution of such securities following such discontinuance. Notwithstanding these alternative arrangements, discontinuance of the publication of an underlying index may adversely affect the value of the securities. If at any time, the method of calculating any underlying index or any successor index, or the value thereof, is changed in a material respect, or if any underlying index or any successor index is in any other way modified so that such index does not, in the opinion of the calculation agent,

fairly represent the value of such index had such changes or modifications not been made, then, from and after such time, the calculation agent will, at the close of business in New York City on each date on which the index closing value for such underlying index is to be determined, make such calculations and adjustments as, in the good