

MORGAN STANLEY  
Form 424B2  
July 03, 2018

***CALCULATION OF REGISTRATION FEE***

<i>Title of Each Class of Securities Offered</i>	<i>Maximum Aggregate Offering Price</i>	<i>Amount of Registration Fee</i>
Performance Leveraged Upside Securities due 2020	\$3,931,610	\$489.49

June **2018**

Pricing Supplement No. 660

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

Dated June 29, 2018

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Buffered PLUS Based on the Value of the S&P 500<sup>®</sup> Index due July 5, 2022

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

Fully and Unconditionally Guaranteed by Morgan Stanley

**Principal at Risk Securities**

The Buffered PLUS are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The Buffered PLUS will pay no interest, provide a minimum payment at maturity of only 20% of the stated principal amount and have the terms described in the accompanying product supplement for PLUS, index supplement and prospectus, as supplemented or modified by this document. At maturity, if the underlying index has **appreciated** in value, investors will receive the stated principal amount of their investment plus leveraged upside performance of the underlying index, subject to the maximum payment at maturity. If the underlying index has **depreciated** in value, but the underlying index has not declined by more than the specified buffer amount, the Buffered PLUS will redeem for par. However, if the underlying index has declined by more than the buffer amount, investors will lose 1% for every 1% decline beyond the specified buffer amount, subject to the minimum payment at maturity of 20% of the stated principal amount. Investors may lose up to 80% of the stated principal amount of the Buffered PLUS. The Buffered PLUS are for investors who seek an equity index-based return and who are willing to risk their principal and forgo current income and upside above the maximum payment at maturity in exchange for the leverage and buffer features that in each case apply to a limited range of performance of

the underlying index. The Buffered 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 Buffered 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.**

**FINAL TERMS**

**Issuer:** Morgan Stanley Finance LLC  
**Guarantor:** Morgan Stanley  
**Maturity date:** July 5, 2022  
**Underlying index:** S&P 500<sup>®</sup> Index  
**Aggregate principal amount:** \$3,931,610  
 If the final index value is greater than the initial index value:

\$10 + leveraged upside payment

*In no event will the payment at maturity exceed the maximum payment at maturity*

If the final index value is less than or equal to the initial index value but has decreased from the initial index value by an amount less than or equal to the buffer amount of 20%:

**Payment at maturity per Buffered PLUS:** \$10

If the final index value is less than the initial index value and has decreased from the initial index value by an amount greater than the buffer amount of 20%:

$(\$10 \times \text{the index performance factor}) + \$2$

*Under these circumstances, the payment at maturity will be less than the stated principal amount of \$10. However, under no circumstances will the Buffered PLUS pay less than \$2.00 per Buffered PLUS at maturity.*

**Leveraged upside payment:**  $\$10 \times \text{leverage factor} \times \text{index percent increase}$   
**Index percent increase:**  $(\text{final index value} - \text{initial index value}) / \text{initial index value}$

**Initial index value:** 2,718.37, which is the index closing value on the pricing date

**Final index value:** The index closing value on the valuation date June 29, 2022, subject to postponement for non-index business days and certain market disruption events

**Leverage factor:** 120%

**Buffer amount:**

20%. As a result of the buffer amount of 20%, the value at or above which the underlying index must close on the valuation date so that investors do not suffer a loss on their initial investment in the Buffered PLUS is 2,174.696, which is 80% of the initial index value.

**Minimum payment at maturity:** \$2.00 per Buffered PLUS (20% of the stated principal amount)

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

**Maximum payment at maturity:** \$14.55 per Buffered PLUS (145.50% of the stated principal amount)

**Stated principal amount:** \$10 per Buffered PLUS

**Issue price:** \$10 per Buffered PLUS (see “Commissions and issue price” below)

**Pricing date:** June 29, 2018

**Original issue date:** July 5, 2018 (3 business days after the pricing date)

**CUSIP:** 61768Q627

**ISIN:** US61768Q6272

**Listing:** The Buffered 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:** \$9.563 per Buffered PLUS. See “Investment Summary” beginning on page 2.

<b>Commissions and issue price:</b>	Price to public	Agent’s commissions and fees	Proceeds to us <sup>(3)</sup>
<b>Per Buffered PLUS</b>	\$10	\$0.25 <sup>(1)</sup> \$0.05 <sup>(2)</sup>	\$9.70
<b>Total</b>	\$3,931,610	\$117,948.30	\$3,813,661.70

Selected dealers, including Morgan Stanley Wealth Management (an affiliate of the agent), and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of \$0.25 for each Buffered 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.

<sup>(1)</sup> Reflects a structuring fee payable to Morgan Stanley Wealth Management by the agent or its affiliates of \$0.05 for each Buffered PLUS.

<sup>(3)</sup> See “Use of proceeds and hedging” on page 13.

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

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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 Buffered 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 Information About the Buffered 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

Buffered PLUS Based on the Value of the S&P 500® Index due July 5, 2022

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

Principal at Risk Securities

Investment Summary

Buffered Performance Leveraged Upside Securities

### Principal at Risk Securities

The Buffered PLUS Based on the Value of the S&P 500® Index due July 5, 2022 (the “Buffered PLUS”) can be used:

§ As an alternative to direct exposure to the underlying index that enhances returns for a certain range of positive performance of the underlying index, subject to the maximum payment at maturity

§ To enhance returns and potentially outperform the underlying index in a moderately bullish scenario

§ To achieve similar levels of upside exposure to the underlying index as a direct investment, subject to the maximum payment at maturity, while using fewer dollars by taking advantage of the leverage factor.

§ To obtain a buffer against a specified level of negative performance in the underlying index

<b>Maturity:</b>	4 years
<b>Leverage factor:</b>	120%
<b>Maximum payment at maturity:</b>	\$14.55 per Buffered PLUS (145.50% of the stated principal amount)
<b>Buffer amount:</b>	20%, with 1-to-1 downside exposure below the buffer

**Minimum payment at maturity:** \$2.00 per Buffered PLUS (20% of the stated principal amount). Investors may lose up to 80% of the stated principal amount of the Buffered PLUS.  
**Coupon:** None

The original issue price of each Buffered PLUS is \$10. This price includes costs associated with issuing, selling, structuring and hedging the Buffered PLUS, which are borne by you, and, consequently, the estimated value of the Buffered PLUS on the pricing date is less than \$10. We estimate that the value of each Buffered PLUS on the pricing date is \$9.563.

*What goes into the estimated value on the pricing date?*

In valuing the Buffered PLUS on the pricing date, we take into account that the Buffered PLUS comprise both a debt component and a performance-based component linked to the underlying index. The estimated value of the Buffered PLUS is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying index, instruments based on the underlying index, 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 Buffered PLUS?*

In determining the economic terms of the Buffered PLUS, including the leverage factor, the maximum payment at maturity, the buffer amount and the minimum payment at maturity, 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 Buffered 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 Buffered PLUS?*

The price at which MS & Co. purchases the Buffered PLUS in the secondary market, absent changes in market conditions, including those related to the underlying index, 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 Buffered 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 Buffered PLUS in the secondary market, absent changes in market conditions, including those related to the underlying index, 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.



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

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### Key Investment Rationale

The Buffered PLUS offer leveraged upside exposure to the underlying index, subject to the maximum payment at maturity, while providing limited protection against negative performance of the underlying index. Once the underlying index has decreased in value by more than the specified buffer amount, investors are exposed to the negative performance of the underlying index, subject to the minimum payment at maturity. At maturity, if the underlying index has appreciated, investors will receive the stated principal amount of their investment plus leveraged upside performance of the underlying index, subject to the maximum payment at maturity. At maturity, if the underlying index has depreciated and (i) if the final index value of the underlying index has not declined from the initial index value by more than the specified buffer amount, the Buffered PLUS will redeem for par, or (ii) if the final index value of the underlying index has declined by more than the buffer amount, the investor will lose 1% for every 1% decline beyond the specified buffer amount, subject to the minimum payment at maturity. **Investors may lose up to 80% of the stated principal amount of the Buffered PLUS.**

<b>Leveraged Performance</b>	The Buffered PLUS offer investors an opportunity to capture enhanced returns for a certain range of positive performance relative to a direct investment in the underlying index.
<b>Upside Scenario</b>	The underlying index increases in value, and, at maturity, the Buffered PLUS redeem for the stated principal amount of \$10 plus 120% of the index percent increase, subject to the maximum payment at maturity of \$14.55 per Buffered PLUS (145.50% of the stated principal amount).
<b>Par Scenario</b>	The underlying index declines in value by no more than 20%, and, at maturity, the Buffered PLUS redeem for the stated principal amount of \$10.
<b>Downside Scenario</b>	The underlying index declines in value by more than 20%, and, at maturity, the Buffered PLUS redeem for less than the stated principal amount by an amount that is proportionate to the percentage decrease of the underlying index from the initial index value, plus the buffer amount of 20%. (Example: if the underlying index decreases in value by 45%, the Buffered PLUS will redeem for \$7.50, or 75% of the stated principal amount.) The minimum payment at maturity is \$2 per Buffered PLUS.

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Principal at Risk Securities

How the Buffered PLUS Work

Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the Buffered PLUS based on the following terms:

<b>Stated principal amount:</b>	\$10 per Buffered PLUS
<b>Leverage factor:</b>	120%
<b>Buffer amount:</b>	20%
<b>Maximum payment at maturity:</b>	\$14.55 per Buffered PLUS (145.50% of the stated principal amount)
<b>Minimum payment at maturity:</b>	\$2 per Buffered PLUS

### How it works

§ **Upside Scenario.** If the final index value is greater than the initial index value, investors will receive the \$10 stated principal amount *plus* 120% of the appreciation of the underlying index over the term of the Buffered PLUS, subject to the maximum payment at maturity. Under the terms of the Buffered PLUS, an investor will realize the maximum payment at maturity of \$14.55 per Buffered PLUS (145.50% of the stated principal amount) at a final index value of approximately 137.917% of the initial index value.

§ If the underlying index appreciates 2%, the investor would receive a 2.4% return, or \$10.24 per Buffered PLUS.

§

If the underlying index appreciates 70%, the investor would receive only the maximum payment at maturity of \$14.55 per Buffered PLUS, or 145.50% of the stated principal amount.

**Par Scenario.** If the final index value is less than or equal to the initial index value but has decreased from the initial \$ index value by an amount less than or equal to the buffer amount of 20%, investors will receive the stated principal amount of \$10 per Buffered PLUS.

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§ If the underlying index depreciates 5%, investors will receive the \$10 stated principal amount.

**Downside Scenario.** If the final index value is less than the initial index value and has decreased from the initial index value by an amount greater than the buffer amount of 20%, investors will receive an amount that is less than § the stated principal amount by an amount that is proportionate to the percentage decrease of the value of the underlying index from the initial index value, plus the buffer amount of 20%. The minimum payment at maturity is \$2 per Buffered PLUS.

§ For example, if the underlying index depreciates 50%, investors would lose 30% of their principal and receive only § \$7 per Buffered PLUS at maturity, or 70% of the stated principal amount.

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## Risk Factors

*The following is a non-exhaustive list of certain key risk factors for investors in the Buffered 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 Buffered PLUS.*

**Buffered PLUS do not pay interest and provide a minimum payment at maturity of only 20% of your principal.** The terms of the Buffered PLUS differ from those of ordinary debt securities in that the Buffered PLUS do not pay interest, and provide a minimum payment at maturity of only 20% of the stated principal amount of the Buffered PLUS, subject to our credit risk. If the final index value is less than 80% of the initial index value, you will receive for each Buffered PLUS that you hold a payment at maturity that is less than the stated principal amount of each Buffered PLUS by an amount proportionate to the decline in the closing value of the underlying index from the initial index value, plus \$2 per Buffered PLUS. **Accordingly, investors may lose up to 80% of the stated principal amount of the Buffered PLUS.**

**The appreciation potential of the Buffered PLUS is limited by the maximum payment at maturity.** The appreciation potential of the Buffered PLUS is limited by the maximum payment at maturity of \$14.55 per Buffered PLUS, or 145.50% of the stated principal amount. Although the leverage factor provides 120% exposure to any increase in the final index value over the initial index value, because the payment at maturity will be limited to 145.50% of the stated principal amount for the Buffered PLUS, any increase in the final index value over the initial index value by more than approximately 37.917% of the initial index value will not further increase the return on the Buffered PLUS.

**§ The market price of the Buffered PLUS will be influenced by many unpredictable factors.** Several factors, many of which are beyond our control, will influence the value of the Buffered PLUS in the secondary market and the price at which MS & Co. may be willing to purchase or sell the Buffered PLUS in the secondary market, including the value, volatility (frequency and magnitude of changes in value) and dividend yield of the underlying index, interest and yield rates in the market, time remaining until the Buffered PLUS mature, geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying index or equities markets generally and which may affect the final index value of the underlying index and any actual or anticipated changes in

our credit ratings or credit spreads. The value of the underlying index may be, and has recently been, volatile, and we can give you no assurance that the volatility will lessen. See “S&P 500<sup>®</sup> Index Overview” below. You may receive less, and possibly significantly less, than the stated principal amount per Buffered PLUS if you try to sell your Buffered PLUS prior to maturity.

**The Buffered 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 Buffered PLUS.** You are dependent on our ability to pay all amounts due on the Buffered PLUS at