MORGAN STANLEY
Form 424B2
August 29, 2018

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*Amount of Registration Fee*
Inverse Dual Directional Trigger PLUS due 2020	$1,198,000	$149.15

August 2018

Pricing Supplement No. 890
Registration Statement Nos. 333-221595; 333-221595-01
Dated August 27, 2018
Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Inverse Trigger Performance Leveraged Upside Securities℠

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The Inverse Dual Directional Trigger PLUS, or “Inverse Trigger PLUS,” are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The Inverse Trigger PLUS will pay no interest, do not guarantee any return of principal at maturity and have the terms described in the accompanying product supplement for PLUS, index supplement and prospectus, as supplemented or modified by this document. The payment at maturity on the Inverse Trigger PLUS will be based on the value of the best performing of the three underlying shares (meaning the underlying shares that have depreciated the least or appreciated the most, as applicable). The three underlying shares are the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF. At maturity, if the final share price of **each** of the underlying shares is **less than** the respective initial share price, investors will receive the stated principal amount of their investment *plus* enhanced inverse performance of the best performing underlying shares, meaning the underlying shares that have depreciated the least. If the final share price of **any** of the underlying shares is **greater than or equal to** the respective initial share price but the final share price of **each** of the underlying shares is **less than or equal to** the respective trigger level, investors will receive the stated principal amount of their investment *plus* an unleveraged positive return reflecting the performance of the best performing underlying shares (meaning the underlying shares that have appreciated the most), which will be effectively limited to a 34% return. However, if the final share price of

any of the underlying shares is **greater than** the respective trigger level, the dual directional feature will no longer be available and instead investors will be negatively exposed to the full percentage appreciation of the best performing underlying shares (meaning the underlying shares that have appreciated the most) and will lose 1% of the stated principal amount for every 1% of appreciation of the best performing underlying shares, without any buffer. Because the payment at maturity of the Inverse Trigger PLUS is based inversely on the best performing of the underlying shares, an increase in **any** of the underlying shares beyond the respective trigger level will result in a significant loss of your investment even if one or both of the other underlying shares have depreciated or have not appreciated as much. The Inverse Trigger PLUS are for investors who seek inverse exposure to the best performing of the underlying shares and who are willing to risk their principal, risk inverse exposure to the best performing of three underlying shares and forgo current income in exchange for the leverage and dual directional features that in each case apply to a limited range of performance of the best performing underlying shares. The Inverse Trigger PLUS are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

The Inverse Trigger PLUS differ from the Bear Market PLUS described in the accompanying product supplement for PLUS in that the Inverse Trigger PLUS offer the potential for a positive return at maturity if the best performing underlying shares appreciate by no more than 34%. The Inverse Trigger PLUS are not the Bear Market Buffered PLUS described in the accompanying product supplement for PLUS. Unlike the Buffered PLUS, the Inverse Trigger PLUS do not provide any protection if the best performing underlying shares appreciate by more than 34%.

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

FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Maturity date:	October 30, 2020
Underlying shares:	The Invesco QQQ Trust℠, Series 1 (the "QQQ Shares"), the SPDR® S&P® Biotech ETF (the "XBI Shares") and the VanEck Vectors® Semiconductor ETF (the "SMH Shares")
Aggregate principal amount:	$1,198,000
Payment at maturity:	If the final share price of **each of the underlying shares** is *less than* the respective initial share price, $1,000 + ($1,000 × leverage factor × share percent decrease of the best performing underlying shares) If the final share price of **any of the underlying shares** is *greater than or equal to* the respective initial share price but the final share price of **each of the underlying shares** is *less than or equal to* the respective trigger level, $1,000 + ($1,000 × share percent increase of the best performing underlying shares) If the final share price of **any of the underlying shares** is *greater than* the respective trigger level, $1,000 – ($1,000 x share percent increase of the best performing underlying shares), subject to a minimum payment at maturity of $0. *Under these circumstances, the payment at maturity will be less than the stated principal amount of $1,000, and will represent a loss of at least 34%, and possibly all, of your investment.*
Share percent decrease:	With respect to each of the underlying shares, (initial share price – final share price) / initial share price
Best performing underlying shares:	The underlying shares with the greatest share percent increase, meaning the underlying shares that have appreciated the most or, if all of the underlying shares have depreciated, the underlying shares that have depreciated the least

Share percent increase:	With respect to each of the underlying shares, (final share price – initial share price) / initial share price
Initial share price:	With respect to the QQQ Shares, $184.34, which is the closing price of such underlying shares on the pricing date With respect to the XBI Shares, $98.00, which is the closing price of such underlying shares on the pricing date With respect to the SMH Shares, $108.61, which is the closing price of such underlying shares on the pricing date
Final share price:	With respect to each of the underlying shares, the closing price of such underlying shares on the valuation date times the adjustment factor of such underlying shares on such date
Adjustment factor:	With respect to each of the underlying shares, 1.0, subject to adjustment in the event of certain events affecting such underlying shares
Valuation date:	October 27, 2020, subject to adjustment for non-trading days and certain market disruption events
Leverage factor:	150%
Trigger level:	With respect to the QQQ Shares, $247.016, which is approximately 134% of its initial share price With respect to the XBI Shares, $131.32, which is 134% of its initial share price With respect to the SMH Shares, $145.537, which is approximately 134% of its initial share price
Stated principal amount:	$1,000 per Inverse Trigger PLUS
Issue price:	$1,000 per Inverse Trigger PLUS
Pricing date:	August 27, 2018
Original issue date:	August 30, 2018 (3 business days after the pricing date)
CUSIP / ISIN:	61768DCH6 / US61768DCH61
Listing:	The Inverse Trigger PLUS will not be listed on any securities exchange.
Agent:	Morgan Stanley & Co. LLC (“MS & Co.”), a wholly owned subsidiary of Morgan Stanley and an affiliate of MSFL. See “Supplemental information regarding plan of distribution; conflicts of interest.”
Estimated value on the pricing date:	$954.80 per Inverse Trigger PLUS. See “Investment Summary” on page 2.

Commissions and issue price:	**Price to public**	**Agent’s commissions[1]**	**Proceeds to us[2]**
Per Inverse Trigger PLUS	$1,000	$10	$990
Total	$1,198,000	$11,980	$1,186,020

(1) Selected dealers and their financial advisors will collectively receive from the agent, MS & Co., a fixed sales commission of $10 for each Inverse Trigger PLUS they sell. See “Supplemental information regarding plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement for PLUS.

(2) See “Use of proceeds and hedging” on page 23.

The Inverse Trigger PLUS involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 8.

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

You should read this document together with the related product supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see "Additional Information About the Inverse Trigger PLUS" 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.

Product Supplement for PLUS dated November 16, 2017 **Index Supplement dated November 16, 2017**
Prospectus dated November 16, 2017

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities℠

Principal at Risk Securities
Investment Summary

Inverse Trigger Performance Leveraged Upside Securities

Principal at Risk Securities

The Inverse Dual Directional Trigger PLUS Based on the Value of the Best Performing of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020 (the "Inverse Trigger PLUS") can be used:

§ To gain inverse exposure to the performance of the best performing of three U.S. equity underlyings

§ To potentially outperform the inverse performance of the best performing of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF if all three underlying shares depreciate, by taking advantage of the leverage factor

§ To obtain an unleveraged positive return for a limited range of appreciation of the best performing underlying shares

If the final share price of **any** of the underlying shares is **greater than** the respective trigger level, investors will be negatively exposed to the full percentage appreciation of the best performing underlying shares (meaning the underlying shares that have appreciated the most) and will lose 1% of the stated principal amount for every 1% of appreciation of the best performing underlying shares, without any buffer.

Maturity:	2 years and 2 months
Leverage factor:	150% (applicable only if all three underlying shares depreciate over the term of the Inverse Trigger PLUS)
Minimum payment at maturity:	None. Investors may lose all their entire initial investment in the Inverse Trigger PLUS.
Trigger level:	With respect to each of the underlying shares, 134% of its initial share price
Coupon:	None
Listing:	The Inverse Trigger PLUS will not be listed on any securities exchange

The original issue price of each Inverse Trigger PLUS is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the Inverse Trigger PLUS, which are borne by you, and, consequently, the estimated value of the Inverse Trigger PLUS on the pricing date is less than $1,000. We estimate that the value of each Inverse Trigger PLUS on the pricing date is $954.80.

What goes into the estimated value on the pricing date?

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

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

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

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

August 2018 Page 2

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities℠

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

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities℠

Principal at Risk Securities
Key Investment Rationale

The Inverse Trigger PLUS offer the potential for a positive return at maturity based on a limited range of percentage changes of the best performing underlying shares. At maturity, if the final share price of **each** of the underlying shares is **less than** the respective initial share price, investors will receive the stated principal amount of their investment *plus* enhanced inverse performance of the best performing underlying shares (meaning the underlying shares that have depreciated the least). If the final share price of **any of the underlying shares** is **greater than or equal** to the respective initial share price but the final share price of **each** of the underlying shares is **less than or equal to** the respective trigger level, investors will receive the stated principal amount of their investment *plus* an unleveraged positive return reflecting the performance of the best performing underlying shares (meaning the underlying shares that have appreciated the most), which will be effectively limited to a 34% return. However, if the final share price of **any of the underlying shares** is **greater than** the respective trigger level, the dual directional feature will no longer be available and instead investors will be negatively exposed to the full percentage appreciation of the best performing underlying shares and will lose 1% of the stated principal amount for every 1% of appreciation of the best performing underlying shares, without any buffer. **Investors may lose their entire initial investment in the Inverse Trigger PLUS. All payments on the Inverse Trigger PLUS are subject to our credit risk.**

Inverse Leveraged Performance	The Inverse Trigger PLUS offer investors an opportunity to receive an inverse return reflecting 150% of the depreciation of the best performing of the underlying shares (meaning the underlying shares that have depreciated the least) if **all of the underlying shares** have depreciated in value.
Dual Directional Feature	The Inverse Trigger PLUS enable investors to obtain an unleveraged positive return if the final share price of **any of the underlying shares** is **greater than or equal to** the respective initial share price **but** the final share price of **each** of the underlying shares is **less than or equal to** the respective trigger level.
Upside Scenario if All of the Underlying Shares Depreciate	**All of the** underlying shares decrease in value, and, at maturity, the Inverse Trigger PLUS redeem for the stated principal amount of $1,000 *plus* 150% of the share percent decrease of the best performing underlying shares, meaning the underlying shares that have depreciated the least. For example, if the final share price of the best performing underlying shares is 10% less than the respective initial share price, the Inverse Trigger PLUS will provide a total positive return of 15% at maturity.
Dual Directional Scenario	The final share price of **any of the underlying shares** is **greater than or equal** to the respective initial share price **but** the final share price of **each of the underlying shares** is **less than or equal to** the respective trigger level. In this case, you receive a 1% positive return on the Inverse Trigger PLUS for each 1% positive return on the best performing underlying shares (meaning the underlying shares that have appreciated the most). For example, if the final share price of the best performing underlying shares is 10% greater than the respective initial share price, the Inverse Trigger PLUS will provide a total positive return of 10% at maturity. The maximum return you may receive in this scenario is a positive 34% return at maturity.
Downside Scenario	The final share price of **any of the underlying shares** is **greater than** the respective trigger level.

In this case, the Inverse Trigger PLUS redeem for at least 34% less than the stated principal amount, and this decrease will be by an amount proportionate to the full appreciation in the value of the best performing underlying shares (meaning the underlying shares that have appreciated the most) over the term of the Inverse Trigger PLUS, subject to a minimum payment at maturity of $0.. Under these circumstances, the payment at maturity will be less than 66% of the stated principal amount per Inverse Trigger PLUS and could be zero. For example, if the final share price of the best performing underlying shares is 70% greater than its initial share price, the Inverse Trigger PLUS will be redeemed at maturity for a loss of 70% of principal at $300.00, or 30% of the stated principal amount. **There is no minimum payment at maturity on the Inverse Trigger PLUS, and you could lose your entire investment.**

Because the payment at maturity of the Inverse Trigger PLUS is based on the best performing of the underlying shares, an increase in **any of the underlying shares** beyond the respective trigger level will result in a significant loss of your investment even if the other underlying shares have depreciated or have not appreciated as much.

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities℠

Principal at Risk Securities
Hypothetical Examples

The following hypothetical examples illustrate how to calculate the payment at maturity on the Inverse Trigger PLUS. The following examples are for illustrative purposes only. The actual initial share price and trigger level for each of the underlying shares are set forth on the cover page of this document. Any payment at maturity on the Inverse Trigger PLUS is subject to our credit risk. The below examples are based on the following terms:

Stated principal amount:	\$1,000 per Inverse Trigger PLUS
Leverage factor:	150%
Hypothetical initial share price:	With respect to the QQQ Shares: \$180 With respect to the XBI Shares: \$95 With respect to the SMH Shares: \$105
Hypothetical trigger level:	With respect to the QQQ Shares: \$241.20 With respect to the XBI Shares: \$127.30 With respect to the SMH Shares: \$140.70

EXAMPLE 1: The final share price of each of the underlying shares is less than the respective initial share price.

Final share price		QQQ Shares: \$126 XBI Shares: \$85.50 SMH Shares: \$99.75
Share percent decrease		QQQ Shares: (\$180 – \$126) / \$180 = 30% XBI Shares: (\$95 – \$85.50) / \$95 = 10% SMH Shares: (\$105 – \$99.50) / \$105 = 5%
Payment at maturity	=	\$1,000 + (\$1,000 × leverage factor × share percent decrease of the best performing underlying shares)
	=	\$1,000 + (\$1,000 × 150% × 5%)
	=	\$1,075.00

In example 1, the final share prices of all of the underlying shares are less than their initial share prices. The QQQ Shares have depreciated by 30%, the XBI Shares have depreciated by 10% and the SMH Shares have depreciated by 5%. Therefore, investors receive at maturity the stated principal amount *plus* a return reflecting 150% of the depreciation of the best performing underlying shares, which are the SMH Shares in this example. Investors receive $1,075.00 per Inverse Trigger PLUS at maturity.

EXAMPLE 2: The final share prices of two of the underlying shares are less than the respective initial share prices, while the final share price of the other underlying shares is greater than the respective initial share price but less than the respective trigger level.

Final share price	QQQ Shares: $108 XBI Shares: $85.50 SMH Shares: $126
Share percent increase/decrease	QQQ Shares: ($180 – $108) / $180 = 40% decrease XBI Shares: ($95 – $85.50) / $95 = 10% decrease SMH Shares: ($126 – $105) / $105 = 20% increase
Payment at maturity	=$1,000 + ($1,000 × share percent increase of the best performing underlying shares)

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities℠

Principal at Risk Securities

=$1,000 + ($1,000 × 20%)

=$1,200

In example 2, the final share prices of the QQQ Shares and the XBI Shares are less than the respective initial prices, while the final share price of the SMH Shares is greater than the respective initial share price but less than the respective trigger level. While the QQQ Shares have depreciated by 40% and the XBI Shares have depreciated by 10%, the SMH Shares have appreciated by 20%. Therefore, investors receive at maturity the stated principal amount *plus* an unleveraged positive return reflecting the performance of the best performing underlying shares, which are the SMH Shares in this example. Investors receive $1,200 per Inverse Trigger PLUS at maturity. In this example, investors receive a positive return even though one of the underlying shares increased in value by 20%, due to the dual directional feature of the Inverse Trigger PLUS and because none of the underlying shares increased beyond the respective trigger level.

EXAMPLE 3: The final share prices of two of the underlying shares are less than the respective initial share prices while the final share price of the other underlying shares is greater than the respective initial share price and trigger level.

Final share price		QQQ Shares: $144 XBI Shares: $57 SMH Shares: $157.50
Share percent increase/ decrease		QQQ Shares: ($180 – $144) / $180 = 20% decrease XBI Shares: ($95 – $57) / $95 = 40% decrease SMH Shares: ($157.50 – $105) / $105 = 50% increase
Payment at maturity	=	$1,000 - ($1,000 x share percent increase of the best performing underlying shares), subject to a minimum payment at maturity of $0.
	=	$1,000 - ($1,000 x 50%)
	=	$500

In example 3, the final share prices of the QQQ Shares and the XBI Shares are less than the respective initial share prices, while the final share price of the SMH Shares is less than the respective initial share price and trigger level. While the QQQ Shares have depreciated by 20% and the XBI Shares have depreciated by 40%, the SMH Shares have appreciated by 50%. Therefore, investors are inversely exposed to the positive performance of the SMH Shares, which are the best performing underlying shares in this example, and receive a payment at maturity of $500. In this example, investors are inversely exposed to the full positive performance of the best performing underlying shares even though the other underlying shares have depreciated in value, because the final share price of the SMH Shares is greater than the respective trigger level.

EXAMPLE 4: **The final share price of each of the underlying shares is greater than the respective initial share price but less than the respective trigger level.**

Final share price		QQQ Shares: $198 XBI Shares: $114 SMH Shares: $58.80
Share percent increase		QQQ Shares: ($198 – $180) / $180 = 10% XBI Shares: ($123.50– $95) / $95 = 30% SMH Shares: ($126 – $105) / $105 = 20%
Payment at maturity	=	$1,000 + ($1,000 × share percent increase of the best performing underlying shares)
	=	$1,000 + ($1,000 × 30%)
	=	$1,300

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust℠, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities℠

Principal at Risk Securities

In example 4, the final share price of each of the underlying shares is greater than the respective initial share price but is less than the respective trigger level. The QQQ Shares have appreciated by 10%, the SMH Shares have appreciated by 20% and the XBI Shares have appreciated by 30%. Therefore, investors receive at maturity the stated principal amount *plus* an unleveraged positive return reflecting the performance of the best performing underlying shares, which are the XBI Shares in this example. Investors receive $1,300 per Inverse Trigger PLUS at maturity.

EXAMPLE 5: **The final share price of each of the underlying shares is greater than the respective trigger level.**

Final share price		QQQ Shares: $252 XBI Shares: $147.25 SMH Shares: $28
Share percent increase		QQQ Shares: ($252 – $180) / $180 = 40% XBI Shares: ($147.25 – $95) / $95 = 55% SMH Shares: ($178.50 – $105) / $105 = 70%
Payment at maturity	=	$1,000 - ($1,000 x share percent increase of the best performing underlying shares), subject to a minimum payment at maturity of $0.
	=	$1,000 – ($1,000 x 70%)
	=	$300

In example 5, the final share price of each of the underlying shares is greater than the respective trigger level. The QQQ Shares have appreciated by 40%, the XBI Shares have appreciated by 55% and the SMH Shares have appreciated by 70%. Therefore, investors are inversely exposed to the full positive performance of the SMH Shares, which are the best performing underlying shares in this example, and receive a payment at maturity of $300.

Because the payment at maturity of the Inverse Trigger PLUS is based on the best performing of the underlying shares, an increase in any of the underlying shares beyond the respective trigger level will result in a significant loss of your investment even if the other underlying shares have depreciated or have not appreciated as much.

Morgan Stanley Finance LLC
Inverse Dual Directional Trigger PLUS Based on the Separate Performance of the Invesco QQQ Trust^{SM}, Series 1, the SPDR® S&P® Biotech ETF and the VanEck Vectors® Semiconductor ETF due October 30, 2020

Trigger Performance Leveraged Upside Securities^{SM}

Principal at Risk Securities
Risk Factors

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

§ **The Inverse Trigger PLUS do not pay interest or guarantee the return of any principal.** The terms of the Inverse Trigger PLUS differ from those of ordinary debt securities in that the Inverse Trigger PLUS do not pay interest or guarantee the payment of any principal amount at maturity. If the final share price of **any of the underlying shares** is **greater than** the respective trigger level, the dual directional feature will no longer be available and the payment at maturity will be an amount in cash that is at least 34% less than the $1,000 stated principal amount of each Inverse Trigger PLUS, and this decrease will be by an amount proportionate to the full amount of the appreciation in the value of the best performing underlying shares (meaning the underlying shares that have appreciated the most) over the term of the Inverse Trigger PLUS, without any buffer. **There is no minimum payment at maturity on the Inverse Trigger PLUS, and, accordingly, you could lose your entire initial investment in the Inverse Trigger PLUS.**

§ **The Inverse Trigger PLUS provide inverse exposure to the best performing of the underlying shares**. The return on the Inverse Trigger PLUS is linked to the inverse performance of the best performing of the underlying shares (meaning the underlying shares that have depreciated the least or appreciated the most, as applicable). Therefore, your return on the Inverse Trigger PLUS will increase if the price of the best performing underlying shares (meaning the underlying shares that have depreciated the least) decreases from the initial share price to the final share price, while your return on the Inverse Trigger PLUS will decrease significantly if the price of the best performing underlying shares (meaning the underlying shares that have appreciated the most) increases from the initial share price to a final share price that is beyond the trigger level. Therefore, if the final share price of the best performing underlying shares is greater than the trigger level, the return on the Inverse Trigger PLUS will be negative and you will receive significantly less than the stated principal amount. **You could lose your entire investment in the Inverse Trigger PLUS.**

§ **You are exposed to the price risk of all of the underlying shares.** Your return on the Inverse Trigger PLUS is not linked to a basket consisting of the underlying shares. Rather, it will be based upon the independent performance of each of the underlying shares. 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 each of the underlying shares. Appreciation beyond the respective trigger level by any of the underlying shares over the term of the securities will negatively affect your return and will not be offset or mitigated by any negative performance by the other underlying shares. If any of the underlying shares increase to above the respective trigger level as of the valuation date, you will be inversely exposed to the full positive performance of the best performing underlying shares (meaning the underlying shares that have appreciated the most) at maturity, and you will lose a significant portion or all of your investment, even if the other underlying shares have depreciated or have not appreciated as much. Accordingly, your investment is subject to the price risk of all of the underlying shares.

§ **Each of the underlying shares is subject to risks associated with investments concentrated in a particular sector.** All or substantially all of the equity securities held by the QQQ Shares, the XBI Shares and the SMH Shares are issued by companies whose primary business is directly associated with non-financial equities, the biotechnology sector and the semiconductor sector, respectively. Each of the underlying shares may therefore be subject to increased price volatility, as each is concentrated in a single specific industry or market sector, and each of the underlying shares may be more susceptible to adverse economic, market, political or regulatory events affecting that particular industry or market sector. Therefore, the Inverse Trigger PLUS are exposed to concentration risks relating to the industry and market sector reflected in each of the underlying shares.

§ **The market price will be influenced by many unpredictable factors.** Several factors will influence the value of the Inverse Trigger PLUS in the secondary market and the price at which MS & Co. may be willing to purchase or sell the Inverse Trigger PLUS in the secondary market, including the value, volatility and dividend yield of the underlying shares, interest and yield rates, time remaining to maturity, geopolitical conditions and economic, financial, political and regulatory or judicial events and any actual or anticipated changes in our credit ratings or credit spreads. The levels of the underlying shares may be, and have recently been, extremely volatile, and we can give you no assurance that the volatility will lessen. See "Invesco QQQ Trust℠, Series 1 Overview," "SPDR® S&P® Biotech ETF Overview" and "VanEck Vectors® Semiconductor ETF Overview" below. You may receive less, and possibly significantly less, than the stated principal amount per Inverse Trigger PLUS if you try to sell your Inverse Trigger PLUS prior to maturity.

§ **The Inverse Trigger PLUS are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the Inverse Trigger PLUS.** You are dependent on our ability to pay all amounts due on the Inverse Trigger PLUS at maturity and therefore you are subject to our credit risk. If we default on its obligations under the Inverse Trigger PLUS, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the Inverse Trigger PLUS prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the Inverse Trigger PLUS.

§ **As a finance subsidiary, MSFL has no independent operations and will have no independent assets.** As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

§ **The antidilution adjustments the calculation agent is required to make do not cover every event that could affect the underlying shares.** MS & Co., as calculation agent, will adjust the adjustment factors for certain events affecting the underlying shares. However, the calculation agent will not make an adjustment for every event that can affect the underlying shares. If an event occurs that does not require the calculation agent to adjust an adjustment factor, the market price of the securities may be materially and adversely affected

§ **The amount payable on the Inverse Trigger PLUS is not linked to the values of the underlying shares at any time other than the valuation date.** The final share price of each of the underlying shares will be based on the closing price of such underlying shares on the valuation date, subject to adjustment for non-trading days and certain market disruption events. Even if all of the underlying shares depreciate prior to the valuation date but the value of **any of the underlying shares** increases by the valuation date to above the respective trigger level, the payment at maturity will be significantly less than it would have been had the payment at maturity been linked to the values of the underlying shares prior to such increase. Although the actual values of the underlying shares on the stated maturity date or at other times during the term of the Inverse Trigger PLUS may be lower than their respective trigger levels, the payment at maturity will be based solely on the closing prices on the valuation date.

§ **Investing in the Inverse Trigger PLUS is not equivalent to a short investment in the underlying shares or the stocks composing the share underlying indices.** Investing in the Inverse Trigger PLUS is not equivalent to a short investment in the underlying shares, the share underlying indices or the stocks that constitute the share underlying indices. Investors in the Inverse Trigger PLUS will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying shares or the stocks that constitute the share underlying indices.

§ **Adjustments to the underlying shares or the indices tracked by the underlying shares could adversely affect the value of the Inverse Trigger PLUS.** The investment advisor to each of the underlying shares (Invesco Capital Management LLC for the Invesco QQQ Trust℠, Series 1, SSgA Funds Management, Inc. for the SPDR® S&P® Biotech ETF and Van Eck Associates Corporation for the Van Eck Vectors Semiconductor ETF) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the relevant share underlying indices. Pursuant to its investment strategy or otherwise, the investment advisor may add, delete or substitute the stocks composing the respective underlying shares. Any of these actions could adversely affect the price of the respective underlying shares and, consequently, the value of the Inverse Trigger PLUS. The publisher of the share underlying indices is responsible for calculating and maintaining the share underlying indices. The publisher may add, delete or substitute the securities constituting the share underlying indices or make other methodological changes that could change the value of the share underlying indices, and, consequently, the price of the underlying shares and the value of the Inverse Trigger PLUS. The publisher of the share underlying indices may discontinue or suspend calculation or publication of a share underlying index at any time. In these circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued share underlying index and will be permitted to consider indices that are calculated and published by the calculation agent or any of its affiliates.

§ **The performance and market price of any of the underlying shares, particularly during periods of market volatility, may not correlate with the performance of the respective share underlying index, the performance of the component securities of such share underlying index or the net asset value per share of such underlying shares.** The underlying shares do not fully replicate their respective share underlying indices, and each may hold securities that are different than those included in the respective share underlying index. In addition, the performance of each of the underlying shares will reflect additional transaction costs and fees that are not included in the calculation of the share underlying indices. All of these factors may lead to a lack of correlation between the performance of each of the underlying shares and the respective share underlying index. In addition, corporate actions (such as mergers and spin-offs) with respect to the equity securities underlying each of the underlying shares may impact the variance between the performance of each of the underlying shares and the respective share underlying index. Finally, because the shares of each of the underlying shares are traded on an exchange and are subject to market supply and investor demand, the market price of one share of each of the underlying shares may differ from the net asset value per share of such underlying shares.

In particular, during periods of market volatility, or unusual trading activity, trading in the securities underlying each of the underlying shares may be disrupted or limited, or such securities may be unavailable in the secondary market. Under these circumstances, the liquidity of each underlying shares may be adversely affected, market participants may be unable to calculate accurately the net asset value per share of each of the underlying shares, and their ability to create and redeem shares of each of the underlying shares may be disrupted. Under these circumstances, the market price of shares of each of the underlying shares may vary substantially from the net asset value per share of each underlying share or the level of the respective share underlying index.

For all of the foregoing reasons, the performance of each of the underlying shares may not correlate with the performance of the respective share underlying index, the performance of the component securities of such share underlying index or the net asset value per share of such underlying shares. Any of these events could materially affect the prices of each of the underlying shares and, therefore, the value of the Inverse Trigger PLUS. Additionally, if market volatility or these events were to occur on the valuation date, the calculation agent would maintain discretion to determine whether such market volatility or events have caused a market disruption event to occur, and such determination would affect the payment at maturity of the Inverse Trigger PLUS. If the calculation agent determines that no market disruption event has taken place, the payment at maturity would be based solely on the published closing price per share of each of the underlying shares on the valuation date, even if any of the underlying shares is performing differently than the respective share underlying index or the component securities of such share underlying index and/or trading at a value that differs from the net asset value per share of such underlying shares.

§ **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 Inverse Trigger PLUS in the original issue price reduce the economic terms of the Inverse Trigger PLUS, cause the estimated value of the Inverse Trigger PLUS to be less than the original issue price and will adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the Inverse Trigger PLUS 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 Inverse Trigger PLUS in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the Inverse Trigger PLUS less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the Inverse Trigger PLUS are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the Inverse Trigger PLUS in the secondary market, absent changes in market conditions, including those related to the underlying shares, 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.