

FOURTH SUPPLEMENTAL OFFERING CIRCULAR

Morgan Stanley

as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL PLC

as issuer
(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.

as issuer
(incorporated with limited liability in The Netherlands)

MORGAN STANLEY FINANCE LLC

as issuer
(formed under the laws of the State of Delaware in the United States of America)

Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates

Morgan Stanley (“**Morgan Stanley**”), Morgan Stanley & Co. International plc (“**MSI plc**”), Morgan Stanley B.V. (“**MSBV**”) and Morgan Stanley Finance LLC, a wholly-owned finance subsidiary of Morgan Stanley (“**MSFL**”, together with Morgan Stanley, MSI plc and MSBV, the “**Issuers**”), and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this fourth supplemental offering circular (the “**Fourth Supplemental Offering Circular**”) to supplement and be read in conjunction with the offering circular dated 16 August 2016 (the “**Offering Circular**”) as supplemented by the first supplemental offering circular dated 11 November 2016 (the “**First Supplemental Offering Circular**”), the second supplemental offering circular dated 20 December 2016 (the “**Second Supplemental Offering Circular**”) and the third Supplemental offering circular dated 26 January 2017 (the “**Third Supplemental Offering Circular**”) in relation to the Issuer’s Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This Fourth Supplemental Offering Circular has been approved by:

- (i) the Irish Stock Exchange as supplementary listing particulars, pursuant to the listing and admission to trading rules of the Irish Stock Exchange, for the purpose of providing information with regard to the Issuers and the Guarantor for the purposes of admitting Program Securities to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of the Irish Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC;
- (ii) the SIX Swiss Exchange pursuant to points 12 et seq. of the directive of the SIX Swiss Exchange on the listing of notes for the purpose of giving certain information with regard to the Issuers and the Guarantor; and
- (iii) the Luxembourg Stock Exchange pursuant the rules and regulations of the Luxembourg Stock Exchange for the purpose of providing information with regard to the Issuers and the Guarantor for the purpose of listing Program Securities on the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market is not a regulated market for the purposes of Directive 2004/39/EC.

Warning: This Fourth Supplemental Offering Circular does not constitute a “supplement” for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the “**Prospectus Directive**”), and this Fourth Supplemental Offering Circular and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive for any Program Securities to be offered and sold under the Offering Circular. Neither the Offering Circular nor this Fourth Supplemental Offering have been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive in the European Economic Area (the “**EEA**”).

Terms defined in the Offering Circular (as supplemented by the First Supplemental Offering Circular, the Second Supplemental Offering Circular and the Third Supplemental Offering Circular) shall have the same meaning when used in this Fourth Supplemental Offering Circular. To the extent that there is any inconsistency between any statement in this Fourth Supplemental Offering Circular and any other statement in, or incorporated by reference in to, the Offering Circular, the statements in this Fourth Supplemental Offering Circular will prevail.

The purpose of this Fourth Supplemental Offering Circular is to:

- (a) disclose the publication by Morgan Stanley of its Annual Report on Form 10-K for the year ended 31 December 2016 (the “**Morgan Stanley 2016 10-K**”) and incorporate by reference, as set out in “Part A” of this Fourth Supplemental Offering Circular;
- (b) disclose the publication of the second supplement to the Registration Document of Morgan Stanley, MSI plc, MSBV and MSFL dated 14 March 2017 and approved by the CSSF (the “**Second Registration Document Supplement**”) and incorporate by reference, as set out in “Part A” of this Fourth Supplemental Offering Circular; and
- (c) make certain consequential amendments to the Offering Circular, as set out in “Part B” of this Fourth Supplemental Offering Circular.

Morgan Stanley accepts responsibility for the information contained in this Fourth Supplemental Offering Circular and to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Fourth Supplemental Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Morgan Stanley confirms that save as disclosed in this Fourth Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen since the publication of the Offering Circular (as supplemented by the First Supplemental Offering Circular, the Second Supplemental Offering Circular and the Third Supplemental Offering Circular).

This Fourth Supplemental Offering Circular, the Second Registration Document Supplement and the Morgan Stanley 2016 10-K are available for viewing, and copies may be obtained from, in the case of the Morgan Stanley 2016 10-K, the offices of Morgan Stanley and, in the case of the Fourth Supplemental Offering Circular and the Second Registration Document Supplement, the offices of the Issuers and the Paying Agents and are also available on Morgan Stanley’s website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley 2016 10-K is also available on Morgan Stanley’s website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

24 March 2017

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

PART A - INCORPORATION BY REFERENCE

This Fourth Supplemental Offering Circular incorporates by reference the Morgan Stanley 2016 10-K and the Second Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 32-39 of the Offering Circular.

The Morgan Stanley 2016 10-K is available on Morgan Stanley’s website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

This Fourth Supplemental Offering Circular and the Second Registration Document Supplement are available on Morgan Stanley’s website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The information incorporated by reference must be read in conjunction with the cross-reference table below which supplements the table of information incorporated by reference in the section entitled “*Incorporation by Reference*” contained on pages contained on pages 32-39 of the Offering Circular.

The following documents and/or information shall be deemed to be incorporated by reference in, and to form part of, the Offering Circular:

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley		
Annual Report on Form 10-K for the year ended 31 December 2016	(1) Business	1-11
	(2) Risk Factors	12-22
	(3) Unresolved Staff Comments	22
	(4) Properties	22
	(5) Legal Proceedings	23-28
	(6) Mine Safety Disclosures	28
	(7) Market for Registrant’s Common Equity, Related Stockholder Matters, Issuer Purchases of Equity Securities	29-30
	(8) Selected Financial Data	31
	(9) Management’s Discussion and Analysis of Financial Condition and Results of Operations	32-74
	(10) Quantitative and Qualitative Disclosures about Market Risk	75-93
	(11) Financial Statements and Supplementary Data	94
	(12) Report of Independent Registered Public Accounting Firm	94
	(13) Consolidated Income Statements	95
	(14) Consolidated Comprehensive Income Statements	96

(15)	Consolidated Balance Sheets	97
(16)	Consolidated Statements of Changes in Total Equity	98
(17)	Consolidated Cash Flow Statements	99
(18)	Notes to Consolidated Financial Statements	100-190
(19)	Financial Data Supplement (Unaudited)	191-194
(20)	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	195
(21)	Controls and Procedures	195-197
(22)	Report of Independent Registered Public Accounting Firm	196
(23)	Other Information	197
(24)	Directors, Executive Officers and Corporate Governance	197
(25)	Executive Compensation	197
(26)	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	197
(27)	Certain Relationships and Related Transactions, and Director Independence	197
(28)	Principal Accountant Fees and Services	197
(29)	Exhibits and Financial Statement Schedules	198
(30)	Form 10-K Summary	198
(31)	Signatures	S-1-S-2

**Morgan Stanley, MSI plc,
MSBV and MSFL**

Second Registration Document Supplement	(1)	Part B – Consequential Amendments to the Registration Document	3-4
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This Fourth Supplemental Offering Circular expressly does not incorporate by reference information identified in the cross-reference table below and supplements the section entitled “Incorporation by Reference” contained on pages 32-39 of the Offering Circular.

Document filed	Information not incorporated by reference
Morgan Stanley Annual Report on Form 10-K for the year ended 31 December 2016	Exhibits Exhibit Index
Second Registration Document Supplement	Part A

PART B - AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

- The section entitled “Selected key financial information relating to Morgan Stanley” on page 2 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected key financial information relating to Morgan Stanley:

Consolidated Balance Sheets (U.S.\$ <i>in millions</i>)	At 31 December 2015	31 December 2016
<i>Total assets</i>	787,465	814,949
<i>Total liabilities and equity</i>	787,465	814,949

Consolidated Income Statements (U.S.\$ in millions)	2015	2016
<i>Net revenues</i>	35,155	34,631
<i>Income from continuing operations before income taxes</i>	8,495	8,848
<i>Net income</i>	6,279	6,123

- The section entitled “Key Risks Specific to the Issuers and the Guarantor” on page 4 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

“Key Risks Specific to the Issuers and the Guarantor:

The following key risks affect Morgan Stanley and, since Morgan Stanley is the ultimate holding company of MSI plc, MSBV and MSFL, also impact MSI plc, MSBV and MSFL:

Market Risk: Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values. Holding large and concentrated positions may expose Morgan Stanley to losses. These factors may result in losses for a position or portfolio owned by Morgan Stanley.

Credit Risk: Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by a large financial institution could adversely affect financial markets. Such factors give rise to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley.

Operational Risk: Morgan Stanley is subject to the risk of loss, or of damage to its reputation, resulting from inadequate or failed processes, or systems, human factors or from external events (e.g. fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and support and control groups (e.g. information technology and trade processing).

Liquidity and Funding Risk: Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings. Morgan Stanley is a holding company, has no operations and depends on dividends, distributions and other payments from its subsidiaries. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions. As a result of the foregoing, there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Additionally, there is a risk that Morgan Stanley's financial condition or overall soundness is adversely affected by an inability or perceived inability to meet its financial obligations in a timely manner. Morgan Stanley also experiences associated funding risks triggered by the market or idiosyncratic stress events that may cause unexpected changes in funding needs or an inability to raise new funding.

Legal, Regulatory and Compliance Risk: Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is also subject to contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. Additionally, Morgan Stanley is subject to anti-money laundering, anti-corruption and terrorist financing rules and regulations.

Risk Management: Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk.

Competitive Environment: Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further, automated trading markets may adversely affect Morgan Stanley's business and may increase competition (for example, by putting increased pressure on bid-offer spreads, commissions, markups or comparable fees). Finally, Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.

International Risk: Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations (including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways.

Acquisition, Divestiture and Joint Venture Risk: Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes or strategic alliances.

Risk relating to the exercise of resolution measures powers: The application of regulatory requirements and strategies in the United States or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders and subject Morgan Stanley to other restrictions.

All material assets of MSBV are obligations of (or securities issued by) one or

more Morgan Stanley Group companies. If any of these Morgan Stanley Group companies incurs losses with respect to any of its activities (irrespective of whether those activities relate to MSBV or not) the ability of such company to fulfil its obligations to MSBV could be impaired, thereby exposing holders of securities issued by MSBV to a risk of loss.

The existence of substantial inter-relationships (including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees) between MSI plc and other Morgan Stanley Group companies exposes MSI plc to the risk that, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Further, Notes issued by MSI plc will not be guaranteed by Morgan Stanley. The application of regulatory requirements and strategies in the United Kingdom to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued by MSI plc.”

3. On page 426 of the Offering Circular, paragraph (a) under the heading “No material adverse change in prospects” shall be deemed to be deleted in their entirety and replaced by the following:

“(a) *Morgan Stanley since 31 December 2016, the date of the latest published annual audited financial statements of Morgan Stanley;*”

4. On page 426 of the Offering Circular, paragraph (a) under the heading “No significant change in the financial or trading position” shall be deemed to be deleted in their entirety and replaced by the following:

“(a) *Morgan Stanley since 31 December 2016, the date of the latest published annual audited financial statements of Morgan Stanley;*”

5. On pages 426-427 of the Offering Circular, paragraph 3(a) under the heading “Legal and arbitration proceedings” shall be deemed to be deleted in its entirety and replaced by the following:

“*Save as disclosed in:*

(a) *the section entitled "Legal Proceedings" in Part I – Item 3 at pages 23-28 and in the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" in Part II – Item 8 at pages 156-160 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2016 (the "Form 10-K"); and*

(b) *the Registration Document dated 10 June 2016 (as supplemented by the First Registration Document Supplement dated 19 October 2016 and the Second Registration Document Supplement dated 14 March 2017).*

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley is aware) during the 12-month period before the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley or the Morgan Stanley Group.”