

## FIRST BASE PROSPECTUS SUPPLEMENT

# Morgan Stanley

*(incorporated 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 SERIES B, WARRANTS AND CERTIFICATES

Morgan Stanley (“**Morgan Stanley**” or the “**Issuer**”) has prepared this first base prospectus supplement (the “**First Base Prospectus Supplement**”) to supplement and be read in conjunction with the base prospectus dated 8 April 2016 (the “**Base Prospectus**”) of Morgan Stanley relating to the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

This First Base Prospectus Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg, as a prospectus supplement issued in compliance with Article 16.1 of the Prospectus Directive and relevant implementing measures in Luxembourg.

Unless otherwise defined in this First Base Prospectus Supplement, terms defined in the Base Prospectus shall have the same meaning when used in this First Base Prospectus Supplement. To the extent that there is any inconsistency between any statement in, or incorporated by reference in, this First Base Prospectus Supplement and any other statement in, or incorporated by reference in, the Base Prospectus, the statements in this First Base Prospectus Supplement will prevail.

The purpose of this First Base Prospectus Supplement is to:

- (a) disclose the publication by Morgan Stanley of (i) its quarterly report on Form 10-Q for the quarterly period ended 31 March 2016 (the “**Morgan Stanley March 2016 10-Q**”) and (ii) the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 10 June 2016 (the “**2016 Registration Document**”), and incorporate by reference, as set out in “Part A” of this First Base Prospectus Supplement;
- (b) make certain consequential amendments to the summary in the Base Prospectus pursuant to the publication of the Morgan Stanley March 2016 10-Q, as set out in “Part B” of this First Base Prospectus Supplement;
- (c) in respect of further issuances only under the Base Prospectus, make amendments to the selected financial information of Morgan Stanley in the Base Prospectus, as set out in “Part C” of this First Base Prospectus Supplement; and
- (d) in respect of further issuances only under the Base Prospectus, make amendments to the General Information section in the Base Prospectus, as set out in “Part D” of this First Base Prospectus Supplement.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses dated 10 July 2005, investors who have agreed to purchase or subscribe for, or have applied to purchase or subscribe for, any Notes prior to the publication of this First Base Prospectus Supplement shall have the right, exercisable within two Business Days (as defined in the Conditions of such Notes) following the date of publication of this First Base Prospectus Supplement, to withdraw their acceptances or applications by notice in writing to the Issuer or Distribution Agent, as the case may be. The final date within which such right of withdrawal must be exercised is 24 June 2016.

The Issuer confirms the following:

Save as disclosed in this First Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this First Base Prospectus Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the

information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This First Base Prospectus Supplement, the Morgan Stanley March 2016 10-Q and the 2016 Registration Document are available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents.

This First Base Prospectus Supplement and the 2016 Registration Document are available on Morgan Stanley's website at [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

The Morgan Stanley March 2016 10-Q is available on Morgan Stanley's website at [www.morganstanley.com/about-us-ir](http://www.morganstanley.com/about-us-ir) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

20 June 2016

**MORGAN STANLEY**

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## PART A

### INCORPORATION BY REFERENCE: MORGAN STANLEY MARCH 2016 10-Q AND 2016 REGISTRATION DOCUMENT

This First Base Prospectus Supplement incorporates by reference the Morgan Stanley March 2016 10-Q and the 2016 Registration Document and supplements the section entitled “*Incorporation by Reference*” contained on pages 40-42 of the Base Prospectus.

The Morgan Stanley March 2016 10-Q is available on Morgan Stanley's website at [www.morganstanley.com/about-us-ir](http://www.morganstanley.com/about-us-ir) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

The 2016 Registration Document is available on Morgan Stanley's website at [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://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 40-42 of the Base Prospectus.

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

<b>Document filed</b>	<b>Information incorporated by reference</b>	<b>Page(s)</b>
<b>Morgan Stanley</b>		
Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2016	(1) Condensed Consolidated Statements of Income (unaudited)	1
	(2) Condensed Consolidated Statements of Comprehensive Income (unaudited)	2
	(3) Condensed Consolidated Balance Sheet (unaudited)	3
	(4) Condensed Consolidated Statements of Changes in Total Equity (unaudited)	4
	(5) Condensed Consolidated Statements of Cash Flows (unaudited)	5
	(6) Notes to Condensed Consolidated Financial Statements (unaudited)	6-66
	(7) Report of Independent Registered Public Accounting Firm	67
	(8) Management's Discussion and Analysis of Financial Condition and Results of Operations	68-106
	(9) Quantitative and Qualitative Disclosures about Market Risk	107-121
	(10) Controls and Procedures	122
	(11) Financial Data Supplement (unaudited)	123-125
	(12) Legal Proceedings	126
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	(14) Signature	128

Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 10 June 2016	(1)	Risk Factors, excluding the sections headed " <i>Risk Factors specific to MSBV, MSFL &amp; MSI plc</i> " and " <i>Applicable Resolution Powers</i> " on pages 11 to 14	1-11
	(2)	Description of Morgan Stanley	22-60
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This First Base Prospectus Supplement 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 40-42 of the Base Prospectus.

<b>Document incorporated by reference</b>		<b>Information not incorporated by reference</b>	<b>Page(s)</b>
<b>Morgan Stanley</b>			
Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2016	(1)	Exhibit Index	E-1
	(2)	Exhibits	127
Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 10 June 2016	(1)	Risk Factors (only the sections headed " <i>Risk Factors specific to MSBV, MSFL &amp; MSI plc</i> " and " <i>Applicable Resolution Powers</i> ")	11-14
	(2)	Information Incorporated by Reference	15-21
	(3)	Description of Morgan Stanley & Co. International plc	62-66
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**PART B**

**AMENDMENTS TO THE SUMMARY**

**Changes to Element B.12**

The selected key financial information relating to Morgan Stanley at Element B.12 of the summary in the Base Prospectus (set out on page 3 of the Base Prospectus) shall be replaced with the information below:

B.12	<b>Selected historical key financial information:</b>	<p><b>Selected key financial information relating to Morgan Stanley:</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center; border-bottom: 1px solid black;">At 31 December 2014</th> <th style="text-align: center; border-bottom: 1px solid black;">At 31 December 2015</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">At 31 March (unaudited)</th> </tr> <tr> <th style="text-align: left;"></th> <th></th> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">2015</th> <th style="text-align: center; border-bottom: 1px solid black;">2016</th> </tr> </thead> <tbody> <tr> <td>Consolidated Balance Sheet (\$ in millions)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><i>Total assets</i></td> <td style="text-align: right;">801,510</td> <td style="text-align: right;">787,465</td> <td style="text-align: right;">829,099</td> <td style="text-align: right;">807,497</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td style="text-align: right;">801,510</td> <td style="text-align: right;">787,465</td> <td style="text-align: right;">829,099</td> <td style="text-align: right;">807,497</td> </tr> <tr> <td colspan="5" style="padding-top: 20px;"> <table style="width: 100%; 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## PART C

### AMENDMENTS TO SELECTED FINANCIAL INFORMATION

The section titled “*Selected Financial Information of Morgan Stanley*” set out on page 32 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

#### SELECTED FINANCIAL INFORMATION OF MORGAN STANLEY

This section contains selected financial information of Morgan Stanley relating to the years ended 31 December 2014 and 31 December 2015 and the three months ended 31 March 2015 and 31 March 2016.

The information in respect of the years ended 31 December 2014 and 31 December 2015 set out below is derived from the financial statements in the audited financial statements included in Morgan Stanley’s Annual Report on Form 10-K for the years ended 31 December 2014 and 31 December 2015, respectively.

The information in respect of the three months ended 31 March 2015 and 31 March 2016 set out below is derived from the unaudited financial statements included in the Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly periods ended 31 March 2015 and 31 March 2016, respectively.

Consolidated Balance Sheet (\$ in millions)	At 31 December 2014	At 31 December 2015	At 31 March (unaudited)	
			2015	2016
<i>Total assets</i>	801,510	787,465	829,099	807,497
<i>Total liabilities and equity</i>	801,510	787,465	829,099	807,497

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			2015	2016
<i>Net revenues</i>	34,275	35,155	9,907	7,792
<i>Income from continuing operations before income taxes</i>	3,591	8,495	2,855	1,738
<i>Net income</i>	3,667	6,279	2,463	1,157

**PART D**  
**AMENDMENTS TO THE BASE PROSPECTUS**

The Base Prospectus is hereby amended as follows:

1. All references in the Base Prospectus to a "Registration Document" shall be deemed to be references to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 10 June 2016, save that item 1 under "*Incorporation by reference*" on page 40 of the Base Prospectus shall continue to refer to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc and Morgan Stanley B.V. dated 12 June 2015.
2. In the second paragraph on page 18 of the Base Prospectus, the words "*and the section entitled "Risk Factors" at pages 1 to 14 of the Registration Document, in each case,*" shall be added after the words "*Annual Report on Form 10-K for the year ended 31 December 2015*".
3. Sub-paragraph (d) set out on page 145 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“(d) Annual Report of Morgan Stanley on Form 10-K for the year ended 31 December 2015, Morgan Stanley Current Reports on Form 8-K, Morgan Stanley Proxy Statement dated 1 April 2016 and Quarterly Report of Morgan Stanley on Form 10-Q for the three months ended 31 March 2016;”

4. The second paragraph in the section titled "*No material adverse change in the prospects and no significant change in the financial or trading position*" set out on page 146 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“There has been no significant change in the financial or trading position of Morgan Stanley since 31 March 2016, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.”

5. The sub section titled "*Legal and arbitration proceedings*" set out on pages 146 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

***“Legal and arbitration proceedings***

Save as disclosed in:

- a) the section entitled "Legal Proceedings" in Part I - Item 3 at pages 24-32 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 202-205 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2015 (the "**Form 10-K**");
- b) the section entitled "Legal Settlement" under the heading "24. Subsequent Events" in "Notes to the Consolidated Financial Statements" in Part II – Item 8 at page 250 of the Form 10-K;
- c) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 47-50 and the section entitled “Legal Proceedings” in Part II – Item 1 at page 126 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2016; and
- d) the section entitled "Legal Proceedings and Contingencies" at Part 7 of the section entitled "Description of Morgan Stanley" at pages 39 to 53 of the Registration Document,

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 Base Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley.”