

## **SECOND BASE PROSPECTUS SUPPLEMENT**

# Morgan Stanley

*as issuer*

*(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**") (the "**Issuer**") has prepared this second base prospectus supplement (the "**Second Base Prospectus Supplement**") to supplement and be read in conjunction with the base prospectus for the issuance of notes, Series A and B, warrants and certificates dated 19 June 2018 (the "**Base Prospectus**") as supplemented by the first base prospectus supplement dated 24 August 2018 (the "**First Base Prospectus Supplement**") published in relation to Morgan Stanley's Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

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

The purpose of this Second Base Prospectus Supplement is to:

- (a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2018 (the "**Morgan Stanley September 2018 10-Q**") and incorporate it by reference, as set out in "Part A" of this Second Base Prospectus Supplement;
- (b) disclose the publication of the third supplement to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 7 November 2018 (the "**Third Registration Document Supplement**") and incorporate by reference certain sections of the Third Registration Document Supplement as set out in "Part A" of this Second Base Prospectus Supplement;
- (c) make certain consequential amendments to the summary in the Base Prospectus (as supplemented by the First Base Prospectus Supplement) pursuant to the publication of the Morgan Stanley September 2018 10-Q and the Third Registration Document Supplement as set out in "Part B" of this Second Base Prospectus Supplement;
- (d) in respect of further issuances only under the Base Prospectus (as supplemented by the First Base Prospectus Supplement), make amendments to the Selected Financial Information of Morgan Stanley in the Base Prospectus (as supplemented by the First Base Prospectus Supplement), as set out in "Part C" of this Second Base Prospectus Supplement; and
- (e) in respect of further issuances only under the Base Prospectus (as supplemented by the First Base Prospectus Supplement), make amendments to the General Information section in the Base Prospectus (as supplemented by the First Base Prospectus Supplement), as set out in "Part D" of this Second Base Prospectus Supplement.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses dated 10 June 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 Second Base Prospectus Supplement shall have the right, exercisable

within two Business Days following the date of publication of this Second Base Prospectus Supplement, to withdraw their acceptances or applications by notice in writing to the relevant Issuer or Manager, as the case may be. The final date within which such right of withdrawal must be exercised is 12 November 2018.

The Issuer confirms the following:

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

The Issuer accepts responsibility for the information contained in this Second 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.

Any information or documents incorporated by reference into the Morgan Stanley September 2018 10-Q and the Third Registration Document Supplement are not incorporated by reference into this Second Base Prospectus Supplement as such information or documents are either not relevant for the investor or covered in another part of this Second Base Prospectus Supplement.

This Second Base Prospectus Supplement, the Morgan Stanley September 2018 10-Q and the Third Registration Document Supplement are available for viewing at, and copies may be obtained from, the offices of the Issuer and the Paying Agents.

This Second Base Prospectus Supplement and the Third Registration Document Supplement are available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents> and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

The Morgan Stanley September 2018 10-Q is available on Morgan Stanley's website at <http://www.morganstanley.com/about-us-ir> and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

8 November 2018

**MORGAN STANLEY**

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## PART A – INCORPORATION BY REFERENCE

This Second Base Prospectus Supplement incorporates by reference those sections of the Morgan Stanley September 2018 10-Q and the Third Registration Document Supplement identified in the cross-reference table below, and supplements and must be read in conjunction with the section entitled "*Incorporation by Reference*" contained on pages 38-42 of the Base Prospectus.

This Second Base Prospectus Supplement and the Third Registration Document Supplement are available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents> and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

The Morgan Stanley September 2018 10-Q is available on Morgan Stanley's website at <http://www.morganstanley.com/about-us-ir> and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

<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 30 September 2018	(1)	Management's Discussion and Analysis of Financial Condition and Results of Operations	1-29
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**Morgan Stanley**

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This Second Base Prospectus Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below and supplements the section entitled “*Incorporation by Reference*” contained on pages 38-42 of the Base Prospectus.

**Document incorporated by reference**

**Information not incorporated by reference**

**Morgan Stanley**

Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2018	Exhibits Exhibit Index
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Third Registration Document Supplement of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 7 November 2018	Part A
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**PART B – AMENDMENTS TO THE SUMMARY**

**Sub-Section I – 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 pages 3-4 of the Base Prospectus) shall be replaced with the information below:

B.12	<b>Selected historical key financial information:</b>	<b>Selected key financial information relating to Morgan Stanley:</b>				
			<b>At 31 December 2016</b>	<b>At 31 December 2017</b>	<b>At 30 September (unaudited)</b>	
		Consolidated Balance Sheets (U.S.\$ in millions)			<b>2017</b>	<b>2018</b>
		<i>Total assets</i>	814,949	851,733	853,693	865,517
		<i>Total liabilities and equity</i>	814,949	851,733	853,693	865,517
			<b>2016</b>	<b>2017</b>	<b>Nine months ended 30 September (unaudited)</b>	
		Consolidated Income Statements (U.S.\$ in millions)			<b>2017</b>	<b>2018</b>
		<i>Net revenues</i>	34,631	37,945	28,445	31,559
		<i>Income from continuing operations before income taxes</i>	8,848	10,403	7,932	9,380
		<i>Net income</i>	6,123	6,216	5,553	7,325
<p>There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2017, the date of the latest published annual audited financial statements of Morgan Stanley.</p> <p>There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2018, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.</p>						

## PART C – AMENDMENTS TO SELECTED FINANCIAL INFORMATION

The section titled “*Selected Financial Information of Morgan Stanley*” set out on page 30 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 2016 and 31 December 2017 and the nine months ended 30 September 2017 and 30 September 2018.

The information in respect of the years ended 31 December 2016 and 31 December 2017 set out below is derived from the audited financial statements included in Morgan Stanley’s Annual Report on Form 10-K for the year ended 31 December 2017.

The information in respect of the nine months ended 30 September 2017 and 30 September 2018 set out below is derived from the unaudited financial statements included in the Morgan Stanley Quarterly Report on Form 10-Q for the quarterly periods ended 30 September 2017 and 30 September 2018, respectively.

Consolidated Balance Sheets (U.S.\$ <i>in millions</i> )	At 31 Dec 2016	At 31 Dec 2017	At 30 September 2017 (unaudited)	At 30 September 2018 (unaudited)
<i>Total assets</i>	814,949	851,733	853,693	865,517
<i>Total liabilities and equity</i>	814,949	851,733	853,693	865,517

Consolidated Income Statements <i>(U.S.\$ in millions)</i>	At 31 Dec 2016	At 31 Dec 2017	Nine months ended 30 September 2017 (unaudited)	Nine months ended 30 September 2018 (unaudited)
<i>Net revenues</i>	34,631	37,945	28,445	31,559
<i>Income from continuing operations before income taxes</i>	8,848	10,403	7,932	9,380
<i>Net income</i>	6,123	6,216	5,553	7,325

”

## PART D – AMENDMENTS TO THE GENERAL INFORMATION SECTION

The Base Prospectus is hereby amended as follows:

1. Sub-paragraph (d) set out on page 146 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 2017, Morgan Stanley Proxy Statement dated 6 April 2018, Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 31 March 2018, Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 June 2018 and Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 September 2018;”*

2. The section entitled “No material adverse change in prospects and no significant change in the financial or trading position” set out on page 147 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

*“There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2017, the date of the last published annual audited financial statements of Morgan Stanley.*

*There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2018, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.”*

3. The sub section titled “Legal and arbitration proceedings” set out on page 147 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 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" at pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2017 (the "Form 10-K");*
- b) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements (Unaudited)" at pages 69-72 and the section entitled "Legal Proceedings" at page 88 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2018;*
- c) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements (Unaudited)" at pages 74-76 and the section entitled "Legal Proceedings" at page 93 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2018;*
- d) the section entitled "Legal Proceedings and Contingencies" at Part 7 of the section entitled "Description of Morgan Stanley" at pages 43-57 of the Registration Document dated 8 June 2018 (as supplemented by the First Registration Document Supplement dated 22 August 2018, the Second Registration Document Supplement dated 4 October 2018 and the Third Registration Document Supplement dated 7 November 2018); and*
- e) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements (Unaudited)" at pages 69-72 and the section entitled "Legal Proceedings" at page 89 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2018,*

*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 or the Morgan Stanley Group.”*