

FIRST 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 first base prospectus supplement (the "**First 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**") published in relation to Morgan Stanley's 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 this First Base Prospectus Supplement and any other statement in, or incorporated by reference in, the Base Prospectus, the statement 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 its Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2018 (the "**Morgan Stanley June 2018 10-Q**") and incorporate by reference, as set out in "Part A" of this First Base Prospectus Supplement;
- (b) disclose the publication of the first supplement of the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 22 August 2018 (the "**First Registration Document Supplement**") and incorporate by reference certain sections of the First Registration Document Supplement as set out in "Part A" of this First Base Prospectus Supplement;
- (c) make certain consequential amendments to the summary in the Base Prospectus pursuant to the publication of the Morgan Stanley June 2018 10-Q and the First Registration Document Supplement as set out in "Part B" of this First Base Prospectus Supplement;
- (d) 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
- (e) 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 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 First Base Prospectus Supplement shall have the right, exercisable within two Business Days following the date of publication of this First 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 29 August 2018.

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.

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

This First Base Prospectus Supplement, the Morgan Stanley June 2018 10-Q and the First Registration Document Supplement 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 First 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.

The Morgan Stanley June 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.

24 August 2018

MORGAN STANLEY

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**PART A - INCORPORATION BY REFERENCE: MORGAN STANLEY JUNE 2018 10-Q AND
FIRST REGISTRATION DOCUMENT SUPPLEMENT**

This First Base Prospectus Supplement incorporates by reference those sections of the Morgan Stanley June 2018 10-Q and the First 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 First Base Prospectus Supplement and the First 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.

The Morgan Stanley June 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

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley		
Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2018	(1) Management's Discussion and Analysis of Financial Condition and Results of Operations	1-31
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Stanley Finance LLC dated 22
August 2018

This First Base Prospectus Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below.

Document filed

Information not incorporated by reference

Morgan Stanley

Quarterly Report on Form 10-Q for the
quarterly period ended 30 June 2018

Exhibits
Exhibit Index

First Registration Document Supplement of
Morgan Stanley, Morgan Stanley & Co.
International plc, Morgan Stanley B.V. and
Morgan Stanley Finance LLC dated 22
August 2018

Part A

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	Selected historical key financial information:	Selected key financial information relating to Morgan Stanley:				
		Consolidated Balance Sheets (U.S.\$ in millions)	At 31 December 2016	At 31 December 2017	At 30 June (unaudited)	
					2017	2018
		<i>Total assets</i>	814,949	851,733	841,016	875,875
		<i>Total liabilities and equity</i>	814,949	851,733	841,016	875,875
			2016	2017	Six months ended 30 June (unaudited)	
		Consolidated Income Statements (U.S.\$ in millions)			2017	2018
		<i>Net revenues</i>	34,631	37,945	19,248	21,687
		<i>Income from continuing operations before income taxes</i>	8,848	10,403	5,450	6,529
		<i>Net income</i>	6,123	6,216	3,762	5,171
		<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 June 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 six months ended 30 June 2017 and 30 June 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 six months ended 30 June 2017 and 30 June 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 June 2017 and 30 June 2018, respectively.

Consolidated Balance Sheets (U.S.\$ <i>in millions</i>)	At 31 December 2016	At 31 December 2017	At 30 June (unaudited)	
			2017	2018
<i>Total assets</i>	814,949	851,733	841,016	875,875
<i>Total liabilities and equity</i>	814,949	851,733	841,016	875,875

Consolidated Income Statements (U.S.\$ <i>in millions</i>)	2016	2017	Six months ended 30 June (unaudited)	
			2017	2018
<i>Net revenues</i>	34,631	37,945	19,248	21,687
<i>Income from continuing operations before income taxes</i>	8,848	10,403	5,450	6,529
<i>Net income</i>	6,123	6,216	3,762	5,171

”

PART D - AMENDMENTS TO 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) Morgan Stanley’s Annual Report 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 and Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 June 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:

“Morgan Stanley

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 June 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 pages 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" 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 to 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 to 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; and*
- d) *the section entitled "Legal Proceedings and Contingencies" at Part 7 of the section entitled "Description of Morgan Stanley" at pages 43 to 57 of the Registration Document dated 8 June 2018, as supplemented by the First Registration Document Supplement dated 22 August 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.”