SIXTH BASE PROSPECTUS SUPPLEMENT

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 SERIES 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 ("**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 sixth base prospectus supplement (the "**Sixth Base Prospectus Supplement**") to supplement and be read in conjunction with the base prospectus dated 12 July 2021 of Morgan Stanley, MSI plc, MSBV and MSFL (the "**Base Prospectus**") as supplemented by the first supplement to the Base Prospectus dated 6 August 2021, the second supplement to the Base Prospectus dated 14 October 2021, the third supplement to the Base Prospectus dated 29 October 2021, the fourth supplement to the Base Prospectus dated 15 November 2021 and the fifth supplement to the Base Prospectus dated 15 February 2022 relating to the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

This Sixth Base Prospectus Supplement has been approved by the Financial Conduct Authority ("**FCA**") as competent authority under the UK Prospectus Regulation (as defined below). The FCA only approves this Sixth Base Prospectus Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"). Such approval by the FCA should not be considered as an endorsement of the Issuer or the quality of the Notes.

Investors should be aware that the prospectus regulation rules of the FCA made under sections 73A and 83A of the Financial Services and Markets Act 2000, as amended from time to time (the "**Prospectus Regulation Rules**") and the UK Prospectus Regulation apply where the Notes are admitted to trading on a regulated market situated or operating within the United Kingdom and/or an offer of the Notes is made to the public (within the meaning provided for the purposes of the Prospectus Regulation Rules) in the United Kingdom.

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

The purpose of this Sixth Base Prospectus Supplement is to:

(a) disclose the publication by Morgan Stanley of its Annual Report on Form 10-K for the year ended 31 December 2021 (the "**Morgan Stanley 2021 Form 10-K**"), as filed with the United States Securities and Exchange Commission;

(b) incorporate the Morgan Stanley 2021 Form 10-K by reference into the Base Prospectus, as set out in "Part A" of this Sixth Base Prospectus Supplement; and

(c) make certain consequential amendments to the "Risk Factors Relating to The Notes" section in the Base Prospectus, as set out in "Part B" of this Sixth Base Prospectus Supplement;

(d) make certain consequential amendments to the "Description of Morgan Stanley" section in the Base Prospectus, as set out in "Part C" of this Sixth Base Prospectus Supplement;

(e) make certain consequential amendments to the "Description of Morgan Stanley & Co. International Plc" section in the Base Prospectus, as set out in "Part D" of this Sixth Base Prospectus Supplement; and

(f) make certain consequential amendments to the "General Information" section in the Base Prospectus, as set out in "Part E" of this Sixth Base Prospectus Supplement.

In accordance with Article 23.2 of the UK Prospectus Regulation, 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 Sixth Base Prospectus Supplement and where Notes had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted, shall have the right, exercisable within two Business Days following the date of publication of this Sixth 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 21 March 2022.

Save as disclosed in this Sixth 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.

Each Responsible Person (as defined below) accepts responsibility for the information contained in the relevant document and confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in the relevant document is in accordance with the facts and does not omit anything likely to affect the import of such information.

"**Responsible Person**" means:

(i) Morgan Stanley with regard to this Sixth Base Prospectus Supplement which comprises this Sixth Base Prospectus Supplement with the exception of Part D hereto;

(ii) MSI plc with regard to this Sixth Base Prospectus Supplement which comprises this Sixth Base Prospectus Supplement with the exception of Part A, Part B, Part C and Part E hereto;

(iii) MSBV with regard to this Sixth Base Prospectus Supplement which comprises this Sixth Base Prospectus Supplement with the exception of Part A, Part B, Part C, Part D and Part E hereto; and

(iv) MSFL with regard to this Sixth Base Prospectus Supplement which comprises this Sixth Base Prospectus Supplement with the exception of Part A, Part B, Part C, Part D and Part E hereto.

This Sixth Base Prospectus Supplement and the Morgan Stanley 2021 Form 10-K are available for viewing, and copies may be obtained from, the officers of the Issuers and the Paying Agents.

This Sixth Base Prospectus Supplement is available on Morgan Stanley's website at http://sp.morganstanley.com/EU/Documents.

The Morgan Stanley 2021 Form 10-K is available on Morgan Stanley's website at https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10k2021/10k1221.pdf.

17 March 2022

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

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PART A - INCORPORATION BY REFERENCE

This Sixth Base Prospectus Supplement incorporates by reference the Morgan Stanley 2021 Form 10-K and supplements the section entitled "*Incorporation by Reference*" contained on pages 90-96 of the Base Prospectus.

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 90-96 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:

Document filed		Information incorporated by reference	Page
Annual Report on Form 10-K for the year ended 31 December 2021 https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10k2021/10k1221.pdf	(1)	Business	1-8
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Documents filed		**Information not incorporated by reference**	
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	(4)	Table headed "*Morgan Stanley and E*TRADE Proforma Combined Financial Information (Unaudited)*"	88
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Any non-incorporated parts of the documents referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus.

PART B - AMENDMENTS TO THE "RISK FACTORS RELATING TO THE NOTES" SECTION

1. The paragraphs under the heading "*Risks relating to the financial situation of Morgan Stanley*" on page 17 of the Base Prospectus shall be deemed to be deleted in their entirety and the following substituted therefor:

   "*Morgan Stanley faces a number of risks in relation to its financial situation, including market risk, credit risk and liquidity risk.*

   Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio owned by Morgan Stanley. For more information on how Morgan Stanley monitors and manages market risk, please see "Quantitative and Qualitative Disclosures about Risk – Market Risk." on pages 55 – 58 of the Morgan Stanley 2021 Form 10-K.

   Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley. For more information on how Morgan Stanley monitors and manages credit risk, please see "Quantitative and Qualitative Disclosures about Risk – Credit Risk." on pages 59 – 65 of the Morgan Stanley 2021 Form 10-K.

   Liquidity risk refers to the 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. Liquidity risk also encompasses Morgan Stanley's ability (or perceived ability) to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern as well as the associated funding risks triggered by the market or idiosyncratic stress events that may negatively affect Morgan Stanley's liquidity and may impact its ability to raise new funding. For more information on how Morgan Stanley monitors and manages liquidity risk, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Quantitative and Qualitative Disclosures about Risk—Liquidity Risk." on page 68 of the Morgan Stanley 2021 Form 10-K."

2. Paragraph 1.1 on page 17 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "Morgan Stanley's results of operations may be adversely affected by the impacts of the COVID-19 pandemic.

   Although the global economy has begun to recover from the COVID-19 pandemic, as many health and safety restrictions have been lifted and vaccine distribution continues to increase, certain adverse consequences of the pandemic continue to impact the global economy and may persist for some time, including labour shortages and disruptions of global supply chains. The growth in economic activity and demand for goods and services, alongside labour shortages and supply chain complications, has also contributed to rising inflationary pressures. Should these ongoing effects of the pandemic continue for an extended period or worsen, Morgan Stanley could experience reduced client activity and demand for its products and services.

   Morgan Stanley continues to be fully operational and, recognizing that local conditions vary for its offices around the world and that the trajectory of the virus continues to be uncertain, Morgan Stanley's employees are able to work from home and in its offices as deemed necessary. If significant portions of Morgan Stanley's workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on Morgan Stanley's businesses could be exacerbated.

   The extent to which the consequences of the COVID-19 pandemic affect Morgan Stanley's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios and Morgan Stanley's ability to take capital actions, will depend on future developments that remain uncertain, including the rate of distribution and administration of vaccines globally, the severity and duration of any resurgence of COVID-19 variants, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on Morgan Stanley's customers, counterparties, employees and third-party service providers. Moreover, the effects of the COVID-19 pandemic will heighten many of the other risks described throughout this section."

3. Paragraph 1.2 on page 18 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"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.

Morgan Stanley's results of operations have been in the past and may, in the future, be materially affected by fluctuations in the global financial markets, including the level and volatility of equity, fixed income and commodity prices, the level and term structure of interest rates, inflation and currency values, and the level of other market indices, which may be driven by economic conditions, the effects of the COVID-19 pandemic, or other widespread events such as natural disasters, climate- related incidents or acts of war or aggression, changes to global trade policies and the implementation of tariffs or protectionist trade policies and other factors.

The results of Morgan Stanley's Institutional Securities business segment, particularly results relating to its involvement in primary and secondary markets for all types of financial products, are subject to substantial market fluctuations due to a variety of factors that Morgan Stanley cannot control or predict with great certainty. These fluctuations impact results by causing variations in business flows and activity and in the fair value of securities and other financial products. Fluctuations also occur due to the level of global market activity, which, among other things, affects the size, number and timing of investment banking client assignments and transactions and the realization of returns from Morgan Stanley's principal investments.

Periods of unfavourable market or economic conditions may have adverse impacts on the level of individual investor participation in the global markets and/or the level of client assets, and, in very low interest rate environments, the level of net interest income, which would negatively impact the results of Morgan Stanley's Wealth Management business segment.

Substantial market fluctuations could also cause variations in the value of Morgan Stanley's investments in its funds, the flow of investment capital into or from AUM, and the way customers allocate capital among money market, equity, fixed income or other investment alternatives, which could negatively impact Morgan Stanley's Investment Management business segment.

The value of Morgan Stanley's financial instruments may be materially affected by market fluctuations. Market volatility, illiquid market conditions and disruptions in the credit markets may make it extremely difficult to value and monetize certain of Morgan Stanley's financial instruments, particularly during periods of market displacement. Subsequent valuations in future periods, in light of factors then prevailing, may result in significant changes in the value of these instruments and may adversely impact historical or prospective fees and performance-based income (also known as incentive fees, which include carried interest) in respect of certain businesses. In addition, at the time of any sales and settlements of these financial instruments, the price Morgan Stanley ultimately realizes will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could cause a decline in the value of Morgan Stanley's financial instruments, which may have an adverse effect on its results of operations in future periods.

In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions, market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale. Morgan Stanley's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. However, severe market events have historically been difficult to predict, and Morgan Stanley could realize significant losses if extreme market events were to occur."

4. Paragraph 1.3 on page 19 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Holding large and concentrated positions may expose Morgan Stanley to losses.

Concentration of risk may reduce revenues or result in losses in Morgan Stanley's market-making, investing, underwriting (including block trading), and lending businesses (including margin lending) in the event of unfavourable market movements or when market conditions are more favourable for Morgan Stanley's competitors. Morgan Stanley commits substantial amounts of capital to these businesses, which often results *in it taking large positions in the securities of, or making large loans to, a particular issuer or issuers in a particular industry, country or region."*

5. Paragraph 1.4 on pages 19 and 20 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations.

Morgan Stanley incurs significant credit risk exposure through its Institutional Securities business segment. This risk may arise from a variety of business activities, including, but not limited to: extending credit to clients through various lending commitments; entering into swap or other derivative contracts under which counterparties have obligations to make payments to Morgan Stanley; providing short- or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral and other commitments to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools, whereby the value of these assets may fluctuate based on realized or expected defaults on the underlying obligations or loans.

Morgan Stanley also incurs credit risk in its Wealth Management business segment lending to mainly individual investors, including, but not limited to, margin- and securities-based loans collateralized by securities, residential mortgage loans and HELOCs.

Morgan Stanley's valuations related to, and reserves for losses on, credit exposures rely on complex models, estimates, and subjective judgments about the future. While Morgan Stanley believes current valuations and reserves adequately address Morgan Stanley's perceived levels of risk, future economic conditions that differ from or are more severe than forecast, inaccurate models or assumptions, or external factors such as natural disasters, geopolitical events or the ongoing COVID-19 pandemic, could lead to inaccurate measurement of or deterioration of credit quality of Morgan Stanley's borrowers and counterparties or the value of collateral and result in unexpected losses. Morgan Stanley may also incur higher than anticipated credit losses as a result of (i) disputes with counterparties over the valuation of collateral or (ii) actions taken by other lenders that may negatively impact the valuation of collateral. In cases where Morgan Stanley forecloses on collateral, sudden declines in the value or liquidity of collateral may result in significant losses to us despite Morgan Stanley's (i) credit monitoring; (ii) over-collateralization; (iii) ability to call for additional collateral; or (iv) ability to force repayment of the underlying obligation, especially where there is a single type of collateral supporting the obligation. In addition, in the longer term, climate change may have a negative impact on the financial condition of Morgan Stanley clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those clients.

Certain of Morgan Stanley's credit exposures may be concentrated by counterparty, product, industry or country. Although Morgan Stanley's models and estimates account for correlations among related types of exposures, a change in the market environment for a concentrated product or an external factor impacting a concentrated counterparty, industry or country may result in credit losses in excess of amounts forecast. Concentrations of credit risk are managed through the Morgan Stanley's comprehensive and global Credit Limits Framework.

In addition, as a clearing member of several central counterparties, Morgan Stanley is responsible for the defaults or misconduct of its customers and could incur financial losses in the event of default by other clearing members. Although Morgan Stanley regularly reviews its credit exposures, default risk may arise from events or circumstances that are difficult to detect or foresee."

6. Paragraph 1.6 on pages 20 and 21 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

*"**Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations.***

Liquidity is essential to Morgan Stanley's businesses. Morgan Stanley's liquidity could be negatively affected by its inability to raise funding in the long-term or short-term debt capital markets, its inability to access the *secured lending markets, or unanticipated outflows of cash or collateral by customers or clients. Factors that Morgan Stanley cannot control, such as disruption of the financial markets or negative views about the financial services industry generally, including concerns regarding fiscal matters in the U.S. and other geographic areas, could impair Morgan Stanley's ability to raise funding.*

In addition, Morgan Stanley's ability to raise funding could be impaired if investors or lenders develop a negative perception of Morgan Stanley's long-term or short-term financial prospects due to factors such as an incurrence of large trading losses, a downgrade by the rating agencies, a decline in the level of its business activity, if regulatory authorities take significant action against Morgan Stanley or its industry, or if Morgan Stanley discovers significant employee misconduct or illegal activity.

If Morgan Stanley is unable to raise funding using the methods described above, it would likely need to finance or liquidate unencumbered assets, such as its investment portfolios or trading assets, to meet maturing liabilities or other obligations. Morgan Stanley may be unable to sell some of its assets, or it may have to sell assets at discount to market value, either of which could adversely affect Morgan Stanley's results of operations, cash flows and financial condition."

7. Paragraph 1.7 on page 21 of the Base Prospectus shall be deeded to be deleted in its entirety and the following substituted therefor:

"***Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings.***

The cost and availability of unsecured financing generally are impacted by Morgan Stanley's long-term and short-term credit ratings. The rating agencies continue to monitor certain company-specific and industry-wide factors that are important to the determination of Morgan Stanley's credit ratings. These include governance, capital adequacy, the level and quality of earnings, liquidity and funding, risk appetite and management, asset quality, strategic direction, business mix, regulatory or legislative changes, macroeconomic environment, and perceived levels of support, and it is possible that the rating agencies could downgrade Morgan Stanley's ratings and those of similar institutions.

Morgan Stanley's credit ratings also can have an adverse impact on certain trading revenues, particularly in those businesses where longer term counterparty performance is a key consideration, such as OTC and other derivative transactions, including credit derivatives and interest rate swaps. In connection with certain OTC trading agreements and certain other agreements associated with Morgan Stanley's Institutional Securities business segment, Morgan Stanley may be required to provide additional collateral to, or immediately settle any outstanding liability balance with, certain counterparties in the event of a credit rating downgrade.

Termination of Morgan Stanley's trading and other agreements could cause Morgan Stanley to sustain losses and impair its liquidity by requiring it to find other sources of financing or to make significant payments in the form of cash or securities. The additional collateral or termination payments that may occur in the event of a future credit rating downgrade vary by contract and can Table of Contents 13 December 2021 Form 10-K be based on ratings by either or both of Moody's Investors Service, Inc. and S&P Global Ratings. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Ratings—Incremental Collateral or Terminating Payments."

8. Paragraph 1.8 on pages 21 and 22 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley is a holding company and depends on payments from Morgan Stanley's subsidiaries.

Morgan Stanley has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations. Regulatory restrictions, tax restrictions or elections and other legal restrictions may limit Morgan Stanley's ability to transfer funds freely, either to or from its subsidiaries. In particular, many of Morgan Stanley's subsidiaries, including its bank and broker-dealer subsidiaries, are subject to laws, regulations and self-regulatory organization rules that limit, as well as authorize regulatory bodies to block or reduce, the flow of funds to Morgan Stanley or that prohibit such transfers or dividends altogether in certain circumstances, including steps to "ring fence" entities by regulators outside the U.S. to protect clients and creditors of such entities in the event of financial difficulties involving such entities.

These laws, regulations and rules may hinder Morgan Stanley's ability to access funds that it may need to make payments on its obligations. Furthermore, as a BHC, Morgan Stanley may become subject to a prohibition or to limitations on its ability to pay dividends. The Federal Reserve, the OCC and the FDIC have the authority, and under certain circumstances the duty, to prohibit or to limit the payment of dividends by the banking organizations they supervise, including Morgan Stanley and its U.S. Bank Subsidiaries."

9. The paragraphs under the heading "*Risk Factors relating to the operation of Morgan Stanley's business activities*" on page 22 of the Base Prospectus shall be deemed to be deleted in their entirety and the following substituted therefor:

   "*Morgan Stanley faces a number of operational risks in relation to its business activities.*

   Operational risk refers to the risk of loss, or of damage to Morgan Stanley's reputation, resulting from inadequate or failed processes or systems, from human factors or from external events (e.g., cyber attacks or third-party vulnerabilities) that may manifest as, for example, loss of information, business disruption, theft and fraud, legal and compliance risks, or damage to physical assets. Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities and support and control groups (e.g., information technology and trade processing). Legal, regulatory and compliance risk is included in the scope of operational risk and is discussed below under "Legal, Regulatory and Compliance Risk." For more information on how Morgan Stanley monitors and manages operational risk, see "Quantitative and Qualitative Disclosures about Risk —Operational Risk." on pages 67 – 68 of the Morgan Stanley 2021 Form 10-K."

10. Paragraph 1.10 on pages 22, 23 and 24 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

    "Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of Morgan Stanley operations or security systems or those of third parties (or third parties thereof), as well as human error or malfeasance, which could adversely affect Morgan Stanley's businesses or reputation.

    Morgan Stanley businesses are highly dependent on Morgan Stanley's ability to process and report, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies. Morgan Stanley may introduce new products or services or change processes or reporting, including in connection with new regulatory requirements, resulting in new operational risks that Morgan Stanley may not fully appreciate or identify.

    The trend toward direct access to automated, electronic markets and the move to more automated trading platforms has resulted in the use of increasingly complex technology that relies on the continued effectiveness of the programming code and integrity of the data to process the trades. Morgan Stanley relies on the ability of its employees, consultants, internal systems and systems at technology centres maintained by unaffiliated third parties to operate its different businesses and process a high volume of transactions. Unusually high trading volumes or site usage could cause Morgan Stanley systems to operate at an unacceptably slow speed or even fail. Disruptions to, destruction of, instability of or other failure to effectively maintain Morgan Stanley's information technology systems or external technology that allows its clients and customers to use its products and services (including Morgan Stanley's self-directed brokerage platform) could harm Morgan Stanley's business and reputation.

    As a major participant in the global capital markets, Morgan Stanley faces the risk of incorrect valuation or risk management of its trading positions due to flaws in data, models, electronic trading systems or processes or due to fraud or cyber attack. Morgan Stanley also faces the risk of operational failure or disruption of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its lending, securities and derivatives transactions. In addition, in the event of a breakdown or improper operation or disposal of Morgan Stanley's or a direct or indirect third party's systems (or third parties thereof), processes or information assets, or improper or unauthorized action by third parties, including consultants and subcontractors or Morgan Stanley employees, Morgan Stanley has in the past and may receive regulatory sanctions, and could suffer financial loss, an impairment to its liquidity position, a disruption of its businesses, or damage to its reputation.

In addition, the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased importance of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact Morgan Stanley's ability to conduct business. Furthermore, the concentration of company and personal information held by a handful of third parties increases the risk that a breach at a key third party may cause an industry- wide event that could significantly increase the cost and risk of conducting business.

There can be no assurance that Morgan Stanley's business contingency and security response plans fully mitigate all potential risks to Morgan Stanley. Morgan Stanley's ability to conduct business may be adversely affected by a disruption in the infrastructure that supports Morgan Stanley's businesses and the communities where they are located. This may include a disruption involving physical site access; software flaws and vulnerabilities; cybersecurity incidents; terrorist activities; political unrest; disease pandemics; catastrophic events; climate-related incidents and natural disasters (such as earthquakes, tornadoes, hurricanes and wildfires); electrical outage; environmental hazard; computer servers; communications or other services Morgan Stanley uses; Morgan Stanley employees or third parties with whom Morgan Stanley conducts business.

Although Morgan Stanley employs backup systems for its data, those backup systems may be unavailable following a disruption, the affected data may not have been backed up or may not be recoverable from the backup, or the backup data may be costly to recover, which could adversely affect Morgan Stanley's business.

Notwithstanding evolving technology and technology-based risk and control systems, Morgan Stanley's businesses ultimately rely on people, including its employees and those of third parties with which Morgan Stanley conducts business. As a result of human error or engagement in violations of applicable policies, laws, rules or procedures, certain errors or violations are not always discovered immediately by Morgan Stanley's technological processes or by its controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation errors, mistakes in addressing emails or other communications, errors in software or model development or implementation, or errors in judgment, as well as intentional efforts to disregard or circumvent applicable policies, laws, rules or procedures. Human errors and malfeasance, even if promptly discovered and remediated, can result in material losses and liabilities for Morgan Stanley.

Morgan Stanley conducts business in various jurisdictions outside the U.S., including jurisdictions that may not have comparable levels of protection for their corporate assets such as intellectual property, trademarks, trade secrets, know-how, and customer information and records. The protection afforded in those jurisdictions may be less established and/or predictable than in the U.S. or other jurisdictions in which Morgan Stanley operates. As a result, there may also be heightened risks associated with the potential theft of their data, technology and intellectual property in those jurisdictions by domestic or foreign actors, including private parties and those affiliated with or controlled by state actors. Additionally, Morgan Stanley is subject to complex and evolving U.S. and international laws and regulations governing cybersecurity, privacy and data governance, transfer and protection, which may differ and potentially conflict, in various jurisdictions. Any theft of data, technology or intellectual property may negatively impact Morgan Stanley's operations and reputation, including disrupting the business activities of Morgan Stanley's subsidiaries, affiliates, joint ventures or clients conducting business in those jurisdictions."

11. Paragraph 1.11 on pages 24 and 25 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

    "A cyber attack, information or security breach or a technology failure of Morgan Stanley or a third party could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk, or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact the results of operations, liquidity and financial condition, as well as cause reputational harm.

    Cybersecurity risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the internet, mobile telecommunications and cloud technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external extremist parties, including foreign state actors, in some circumstances as a means to promote political ends. Global events and geopolitical instability may lead to increased nation state targeting of financial institutions in the U.S. and abroad. Any of these parties may also *attempt to fraudulently induce employees, customers, clients, vendors, or other third parties or users of Morgan Stanley systems to disclose sensitive information in order to gain access to Morgan Stanley's data or that of Morgan Stanley employees or clients.*

Cybersecurity risks may also derive from human error, fraud or malice on the part of Morgan Stanley employees or third parties, or may result from accidental technological failure. These risks may be heightened by several factors, including remote work, or as a result of the integration of acquisitions and other strategic initiatives that may subject Morgan Stanley to new technology, customers or third-party providers. In addition, third parties with whom Morgan Stanley does business, the regulators with whom Morgan Stanley shares information, and each of their service providers, as well as the third parties with whom Morgan Stanley customers and clients share information used for authentication, may also be sources of cybersecurity risks, particularly where activities of customers are beyond Morgan Stanley's security and control systems. There is no guarantee that the measures Morgan Stanley takes will provide absolute security or recoverability given that the techniques used in cyber attacks are complex and frequently change, and are difficult to anticipate.

Like other financial services firms, Morgan Stanley, its third-party providers, and its clients continue to be the subject of unauthorized access attacks, mishandling or misuse of information, computer viruses or malware, cyber attacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, denial of service attacks, data breaches, social engineering attacks and other events. There can be no assurance that such unauthorized access, mishandling or misuse of information, or cyber incidents will not occur in the future, and they could occur more frequently and on a more significant scale.

Morgan Stanley maintains a significant amount of personal and confidential information on Morgan Stanley customers, clients and certain counterparties that Morgan Stanley is required to protect under various state, federal and international data protection and privacy laws. These laws may be in conflict with one another or courts and regulators may interpret them in ways that Morgan Stanley had not anticipated or that adversely affect its business. A cyber attack, information or security breach, or a technology failure of Morgan Stanley or of a third party could jeopardize Morgan Stanley's or its clients', employees', partners', vendors' or counterparties' personal, confidential, proprietary or other information processed and stored in, and transmitted through, Morgan Stanley's and its third parties' computer systems. Furthermore, such events could cause interruptions or malfunctions in Morgan Stanley's, its clients', employees', partners', vendors', counterparties' or third parties' operations, as well as the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of Morgan Stanley's, its employees, its customers or of other third parties. Any of these events could result in reputational damage with its clients and the market, client dissatisfaction, additional costs to Morgan Stanley to maintain and update its operational and security systems and infrastructure, violation of the applicable data protection and privacy laws, regulatory investigations and enforcement actions, litigation exposure, or fines or penalties, any of which could adversely affect Morgan Stanley's business, financial condition or results of operations.

Given Morgan Stanley's global footprint and the high volume of transactions it processes, the large number of clients, partners, vendors and counterparties with which Morgan Stanley does business, and the increasing sophistication of cyber attacks, a cyber attack, information or security breach could occur and persist for an extended period of time without detection. It could take considerable time for Morgan Stanley to determine the scope, extent, amount and type of information compromised, and the impact of such an attack may not be fully understood. During such time Morgan Stanley would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all or any of which would further increase the costs and consequences of a cyber attack or data breach.

While many of Morgan Stanley's agreements with partners and third-party vendors include indemnification provisions, Morgan Stanley may not be able to recover sufficiently, or at all, under such provisions to adequately offset any losses it may incur. In addition, although Morgan Stanley maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber and information security risks, such insurance coverage may be insufficient to cover all losses.

Morgan Stanley continues to make investments with a view toward maintaining and enhancing its cybersecurity posture. The cost of managing cyber and information security risks and attacks along with complying with new, increasingly expansive, and evolving regulatory requirements could adversely affect Morgan Stanley's results of operations and business."

12. Paragraph 1.12 on pages 25 and 26 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"***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, which could result in unexpected losses.***

Morgan Stanley has devoted significant resources to develop its risk management capabilities and expects to continue to do so in the future. Nonetheless, Morgan Stanley's risk management strategies, models and processes, including its use of various risk models for assessing market exposures and hedging strategies, stress testing and other analysis, may not be fully effective in mitigating Morgan Stanley's risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated.

As Morgan Stanley's businesses change and grow, and the markets in which Morgan Stanley operates evolve, its risk management strategies, models and processes may not always adapt with those changes. Some of Morgan Stanley's methods of managing risk are based upon its use of observed historical market behaviour and management's judgment. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate.

In addition, many models Morgan Stanley uses are based on assumptions or inputs regarding correlations among prices of various asset classes or other market indicators and, therefore, cannot anticipate sudden, unanticipated, or unidentified market or economic movements, such as the impact of the COVID-19 pandemic, which could cause Morgan Stanley to incur losses.

Management of market, credit, liquidity, operational, model, legal, regulatory and compliance risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective. Morgan Stanley's trading risk management strategies and techniques also seek to balance its ability to profit from trading positions with its exposure to potential losses.

While Morgan Stanley employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. For example, to the extent that Morgan Stanley's trading or investing activities involve less liquid trading markets or are otherwise subject to restrictions on sales or hedging, Morgan Stanley may not be able to reduce its positions and, therefore, reduce its risk associated with such positions. Morgan Stanley may, therefore, incur losses in the course of its trading or investing activities. For more information on how we monitor and manage market and certain other risks and related strategies, models and processes, see "Quantitative and Qualitative Disclosures about Risk—Market Risk.""

13. Paragraph 1.13 on pages 26 and 27 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Replacement of London Interbank Offered Rate and replacement or reform of other interest rate benchmarks could adversely affect Morgan Stanley's business, financial condition and results of operations.

Central banks around the world, including the Federal Reserve, have commissioned committees and working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks (collectively, the "IBORs"). A transition away from the use of the IBORs to alternative rates and other potential interest rate benchmark reforms is underway and will continue over the course of the next few years. These reforms have caused and may in the future cause such rates to perform differently than in the past, or to cease entirely, or have other consequences that are contrary to market expectations.

The ongoing market transition away from IBORs and other interest rate benchmarks to alternative reference rates is complex and could have a range of adverse impacts on Morgan Stanley's business, financial condition and results of operations. In particular, such transition or reform could:

- *Adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any IBOR-linked securities, loans and derivatives that are included in Morgan Stanley's financial assets and liabilities;*

- *Require further extensive changes to documentation that governs or references IBOR or IBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding securities and related hedging transactions;*

- *Result in a population of products with documentation that governs or references IBOR or IBOR-based products but that cannot be amended due to an inability to obtain sufficient consent from counterparties or product owners;*

- *Result in inquiries, reviews or other actions from regulators in respect of Morgan Stanley's (or the market's) preparation, readiness, transition plans and actions regarding the replacement of an IBOR with one or more alternative reference rates, including regulatory guidance regarding constraints on the entry into new U.S. dollar IBOR-linked contracts after December 31, 2021;*

- *Result in disputes, litigation or other actions with clients, counterparties and investors in various scenarios, such as regarding the interpretation and enforceability of provisions in IBOR-based products such as fallback language or other related provisions, including in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between the IBORs and the various alternative reference rates;*

- *Require the additional transition and/or further development of appropriate systems and analytics to effectively transition Morgan Stanley's risk management processes from IBORs to those based on one or more alternative reference rates in a timely manner, including by quantifying value and risk for various alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and*

- *Cause Morgan Stanley to incur additional costs in relation to any of the above factors.*

Other factors include the pace of the transition to the alternative reference rates, timing mismatches between cash and derivative markets, the specific terms and parameters for and market acceptance of any alternative reference rate, market conventions for the use of any alternative reference rate in connection with a particular product (including the timing and market adoption of any conventions proposed or recommended by any industry or other group), prices of and the liquidity of trading markets for products based on alternative reference rates, and Morgan Stanley's ability to further transition and develop appropriate systems and analytics for one or more alternative reference rates."

14. Paragraph 1.14 on pages 27 and 28 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"The financial services industry is subject to extensive regulation, and changes in regulation will impact Morgan Stanley's business.

Like other major financial services firms, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where Morgan Stanley conducts its business. These laws and regulations significantly affect the way Morgan Stanley does business and can restrict the scope of its existing businesses and limit its ability to expand its product offerings and pursue certain investments.

Morgan Stanley and its employees are subject to (among other things) wide-ranging regulation and supervision, intensive scrutiny of its businesses and any plans for expansion of those businesses through acquisitions or otherwise, limitations on new activities, a systemic risk regime that imposes heightened capital and liquidity and funding requirements and other enhanced prudential standards, resolution regimes *and resolution planning requirements, requirement for maintaining minimum amounts of TLAC and external long-term debt, restrictions on activities and investments imposed by the Volcker Rule, comprehensive derivatives regulation, commodities regulation, market structure regulation, consumer protection regulation, tax regulations, antitrust laws, trade and transaction reporting obligations, and broadened fiduciary obligations.*

Ongoing implementation of, or changes in, including changes in interpretation or enforcement of, laws and regulations could materially impact the profitability of Morgan Stanley businesses and the value of assets it holds, expose Morgan Stanley to additional costs, require changes to business practices or force Morgan Stanley to discontinue businesses, adversely affect Morgan Stanley's ability to pay dividends and repurchase its stock or require Morgan Stanley to raise capital, including in ways that may adversely impact Morgan Stanley shareholders or creditors.

In addition, regulatory requirements that are imposed by foreign policymakers and regulators may be inconsistent or conflict with regulations that Morgan Stanley is subject to in the U.S. and may adversely affect Morgan Stanley. Legal and regulatory requirements continue to be subject to ongoing change, which may result in significant new costs to comply with new or revised requirements, as well as to monitor for compliance on an ongoing basis."

15. Paragraph 1.15 on pages 28 and 29 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"The application of regulatory requirements and strategies in the U.S. or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley security holders and subject Morgan Stanley to other restrictions.

Morgan Stanley is required to submit once every two years to the Federal Reserve and the FDIC a resolution plan that describes its strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of material financial distress or failure. If the Federal Reserve and the FDIC were to jointly determine that its resolution plan submission was not credible or would not facilitate an orderly resolution, and if Morgan Stanley were unable to address any deficiencies identified by the regulators, Morgan Stanley or any of its subsidiaries may be subject to more stringent capital, leverage, or liquidity requirements or restrictions on its growth, activities or operations, or after a two-year period, Morgan Stanley may be required to divest assets or operations.

In addition, provided that certain procedures are met, Morgan Stanley can be subject to a resolution proceeding under the orderly liquidation authority under Title II of the Dodd-Frank Act with the FDIC being appointed as receiver. The FDIC's power under the orderly liquidation authority to disregard the priority of creditor claims and treat similarly situated creditors differently in certain circumstances, subject to certain limitations, could adversely impact holders of Morgan Stanley's unsecured debt.

Further, because both Morgan Stanley's resolution plan contemplates an SPOE strategy under the U.S. Bankruptcy Code and the FDIC has proposed an SPOE strategy through which it may apply its orderly liquidation authority powers, Morgan Stanley believes that the application of an SPOE strategy is the reasonably likely outcome if either its resolution plan were implemented or a resolution proceeding were commenced under the orderly liquidation authority. An SPOE strategy generally contemplates the provision of adequate capital and liquidity by Morgan Stanley to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy, and Morgan Stanley has entered into a secured amended and restated support agreement with its material entities, as defined in Morgan Stanley's resolution plan, pursuant to which it would provide such capital and liquidity to such entities.

In further development of Morgan Stanley's SPOE strategy, a wholly owned, direct subsidiary of Morgan Stanley, Morgan Stanley Holdings LLC ("Funding IHC"), serves as a resolution funding vehicle. Morgan Stanley has transferred, and has agreed to transfer on an ongoing basis, certain assets to the Funding IHC. In the event of a resolution scenario, the Parent Company would be obligated to contribute all of its material assets that can be contributed under the terms of the amended and restated support agreement (other than shares in subsidiaries of the Parent Company and certain other assets) ("Contributable Assets"), to the Funding IHC. The Funding IHC would be obligated to provide capital and liquidity, as applicable, to Morgan Stanley material entities.

The obligations of Morgan Stanley and of the Funding IHC, respectively, under the amended and restated support agreement are in most cases secured on a senior basis by the assets of the Parent Company (other than shares in subsidiaries of the Parent Company and certain other assets), and the assets of the Funding IHC, as applicable. As a result, claims of Morgan Stanley material entities, including the Funding IHC, against the assets of Morgan Stanley with respect to such secured assets are effectively senior to unsecured obligations of Morgan Stanley.

Although an SPOE strategy, whether applied pursuant to Morgan Stanley's resolution plan or in a resolution proceeding under the orderly liquidation authority, is intended to result in better outcomes for creditors overall, there is no guarantee that the application of an SPOE strategy, including the provision of support to Morgan Stanley's material entities pursuant to the secured amended and restated support agreement, will not result in greater losses for holders of Morgan Stanley securities compared with a different resolution strategy for Morgan Stanley.

Regulators have taken and proposed various actions to facilitate an SPOE strategy under the U.S. Bankruptcy Code, the orderly liquidation authority and other resolution regimes. For example, the Federal Reserve requires top-tier BHCs of U.S. G-SIBs, including the Firm, to maintain minimum amounts of equity and eligible long-term debt TLAC in order to ensure that such institutions have enough loss-absorbing resources at the point of failure to be recapitalized through the conversion of debt to equity or otherwise by imposing losses on eligible TLAC where the SPOE strategy is used. The combined implication of the SPOE resolution strategy and the TLAC requirement is that Morgan Stanley's losses will be imposed on the holders of eligible long-term debt and other forms of eligible TLAC issued by Morgan Stanley before any losses are imposed on the creditors of Morgan Stanley material entities without requiring taxpayer or government financial support.

In addition, certain jurisdictions, including the U.K. and other E.U. jurisdictions, have implemented, or are in the process of implementing, changes to resolution regimes to provide resolution authorities with the ability to recapitalize a failing entity organized in such jurisdiction by writing down certain unsecured liabilities or converting certain unsecured liabilities into equity. Such "bail-in" powers are intended to enable the recapitalization of a failing institution by allocating losses to its shareholders and unsecured creditors. Non-U.S. regulators are also considering requirements that certain subsidiaries of large financial institutions maintain minimum amounts of TLAC that would pass losses up from the subsidiaries to Morgan Stanley and, ultimately, to security holders of Morgan Stanley in the event of failure."

16. Paragraph 1.16 on pages 29 and 30 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley may be prevented from paying dividends or taking other capital actions because of regulatory constraints or revised regulatory capital requirements.

Morgan Stanley is subject to comprehensive consolidated supervision, regulation and examination by the Federal Reserve, including with respect to regulatory capital requirements, stress testing and capital planning. Morgan Stanley submits, on at least an annual basis, a capital plan to the Federal Reserve describing proposed dividend payments to shareholders, proposed repurchases of its outstanding securities and other proposed capital actions that Morgan Stanley intends to take. Morgan Stanley's ability to take capital actions described in the capital plan is dependent on, among other factors, the results of supervisory stress tests conducted by the Federal Reserve and Morgan Stanley's compliance with regulatory capital requirements imposed by the Federal Reserve.

In addition, the Federal Reserve may change regulatory capital requirements to impose higher requirements that restrict Morgan Stanley's ability to take capital actions or may modify or impose other regulatory standards or restrictions that increase Morgan Stanley's operating expenses or constrain its ability to take capital actions."

17. Paragraph 1.18 on pages 30 and 31 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley may be responsible for representations and warranties associated with commercial and residential real estate loans and may incur losses in excess of its reserves.

Morgan Stanley originates loans secured by commercial and residential properties. Further, Morgan Stanley securitizes and trades in a wide range of commercial and residential real estate and real estate-related assets and products. In connection with these activities, Morgan Stanley has provided, or otherwise agreed to be responsible for, certain representations and warranties. Under certain circumstances, Morgan Stanley may be required to repurchase such assets or make other payments related to such assets if such representations and warranties were breached. Morgan Stanley has also made representations and warranties in connection with its role as an originator of certain loans that it securitized in CMBS and RMBS.

Morgan Stanley currently has certain legal proceedings related to claims for alleged breaches of representations and warranties. If there are decisions adverse to Morgan Stanley in those legal proceedings, it may incur losses substantially in excess of Morgan Stanley's reserves. In addition, Morgan Stanley's reserves are based, in part, on certain factual and legal assumptions. If those assumptions are incorrect and need to be revised, Morgan Stanley may need to adjust its reserves substantially."

18. Paragraph 1.19 on page 31 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"***A failure to address conflicts of interest appropriately could adversely affect Morgan Stanley's businesses and reputation.***

As a global financial services firm that provides products and services to a large and diversified group of clients, including corporations, governments, financial institutions and individuals, Morgan Stanley faces potential conflicts of interest in the normal course of business. For example, potential conflicts can occur when there is a divergence of interests between Morgan Stanley and a client, among clients, between an employee on the one hand and Morgan Stanley or a client on the other, or situations in which Morgan Stanley may be a creditor of a client. Moreover, Morgan Stanley utilises multiple brands and business channels, including those resulting from its acquisitions, and continues to enhance the collaboration across business segments, which may heighten the potential conflicts of interests or the risk of improper sharing of information.

Morgan Stanley has policies, procedures and controls that are designed to identify and address potential conflicts of interest, and utilises various measures, such as the use of disclosure, to manage these potential conflicts. However, identifying and mitigating potential conflicts of interest can be complex and challenging and can become the focus of media and regulatory scrutiny. Indeed, actions that merely appear to create a conflict can put Morgan Stanley's reputation at risk even if the likelihood of an actual conflict has been mitigated. It is possible that potential conflicts could give rise to litigation or enforcement actions, which may lead to Morgan Stanley's clients being less willing to enter into transactions in which a conflict may occur and could adversely affect Morgan Stanley's businesses and reputation.

Morgan Stanley's regulators have the ability to scrutinise its activities for potential conflicts of interest, including through detailed examinations of specific transactions. For example, Morgan Stanley's status as a BHC supervised by the Federal Reserve subjects it to direct Federal Reserve scrutiny with respect to transactions between Morgan Stanley's U.S. Bank Subsidiaries and their affiliates. Further, the Volcker Rule subjects Morgan Stanley to regulatory scrutiny regarding certain transactions between Morgan Stanley and its clients."

19. Paragraph 1.20 on pages 31 and 32 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley faces strong competition from financial services firms and others, which could lead to pricing pressures that could materially adversely affect its revenues and profitability.

The financial services industry and all aspects of Morgan Stanley's businesses are intensely competitive, and Morgan Stanley expects them to remain so. Morgan Stanley competes with commercial banks, brokerage firms, insurance companies, exchanges, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds, private equity funds, energy companies, financial technology firms and other companies offering financial or ancillary services in the U.S. and globally, as well as digitally, including through the internet. Morgan Stanley also competes with companies that provide online trading and banking services, investment advisor services, robo-advice capabilities, access to digital *asset capabilities and services, and other financial products and services. Morgan Stanley competes on the basis of several factors, including transaction execution, capital or access to capital, products and services, innovation, technology, reputation, risk appetite and price.*

Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have left businesses, been acquired by or merged into other firms, or have declared bankruptcy. Such changes could result in Morgan Stanley's remaining competitors gaining greater capital and other resources, such as the ability to offer a broader range of products and services and geographic diversity, or new competitors may emerge.

Morgan Stanley has experienced and may continue to experience pricing pressures as a result of these factors and as some of its competitors seek to obtain market share by reducing prices, eliminating commissions or other fees, or providing more favorable terms of business. In addition, certain of Morgan Stanley's competitors may be subject to different and, in some cases, less stringent, legal and regulatory regimes than Morgan Stanley is, thereby putting it at a competitive disadvantage. Some new competitors in the financial technology sector have sought to target existing segments of Morgan Stanley's businesses that could be susceptible to disruption by innovative or less regulated business models."

20. Paragraph 1.21 on page 32 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Automated trading markets and the introduction and application of new technologies may adversely affect Morgan Stanley's business and may increase competition.

Morgan Stanley continues to experience price competition in some of its businesses. In particular, the ability to execute securities, derivatives and other financial instrument trades electronically on exchanges, swap execution facilities and other automated trading platforms, and the introduction and application of new technologies will likely continue the pressure on revenues. The trend toward direct access to automated, electronic markets will likely continue as additional markets move to more automated trading platforms. Morgan Stanley has experienced and will likely continue to experience competitive pressures in these and other areas in the future."

21. Paragraph 1.22 on page 32 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"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.

Morgan Stanley's people are its most important asset. Morgan Stanley competes with various other companies in attracting and retaining qualified and skilled personnel. If Morgan Stanley is unable to continue to attract and retain highly qualified employees, or do so at levels or in forms necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, or the competitive market for talent further intensifies, Morgan Stanley's performance, including its competitive position and results of operations, could be materially adversely affected.

The financial industry has experienced and may continue to experience more stringent regulation of employee compensation, including limitations relating to incentive-based compensation, clawback requirements and special taxation, which could have an adverse effect on Morgan Stanley's ability to hire or retain the most qualified employees."

22. Paragraph 1.23 on pages 32 and 33 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations that could adversely impact its businesses in many ways.

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible nationalization, expropriation, *price controls, capital controls, exchange controls, increased taxes and levies, data transfer and outsourcing restrictions, prohibitions on certain types of foreign and capital market activities, limitations on cross- border listings and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability. In many countries, the laws and regulations applicable to the securities and financial services industries are uncertain and evolving and subject to sudden change. It may be difficult for Morgan Stanley to determine the exact requirements of local laws in every market or adapt to changes in law, which could adversely impact Morgan Stanley's businesses.*

Morgan Stanley's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its business in that market but also on its reputation generally. Morgan Stanley is also subject to the risk that transactions it structures might not be legally enforceable in all cases. In addition, uncertainty as to the nature of the future relationship between the U.K. and the E.U. may adversely affect the manner in which Morgan Stanley operates certain of its businesses across Europe.

Various emerging market countries have experienced severe political, economic or financial disruptions, including significant devaluations of their currencies, defaults or potential defaults on sovereign debt, capital and currency exchange controls, high rates of inflation and low or negative growth rates in their economies. Crime and corruption, as well as issues of security and personal safety, also exist in certain of these countries. These conditions could adversely impact Morgan Stanley's businesses and increase volatility in financial markets generally.

A disease pandemic, such as COVID-19, or other widespread health emergencies, natural disasters, climate-related incidents, terrorist activities or military actions, or social or political tensions, could create economic and financial disruptions in emerging markets or in other areas of the global economy that could adversely affect Morgan Stanley businesses, or could lead to operational difficulties (including travel limitations) that could impair Morgan Stanley's ability to manage or conduct its businesses around the world.

As a U.S. company, Morgan Stanley is required to comply with the economic sanctions and embargo programs administered by OFAC and similar multinational bodies and governmental agencies worldwide, which may be in inconsistent with local law. Morgan Stanley is also subject to applicable anti-corruption laws in the jurisdictions in which it operates, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. A violation of a sanction, embargo program or anti-corruption law could subject Morgan Stanley, and individual employees, to a regulatory enforcement action, as well as significant civil and criminal penalties."

23. Paragraph 1.25 on page 34 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, partnerships, minority stakes or strategic alliances, and certain acquisitions may subject its business to new or increased risk.

In connection with past or future acquisitions, divestitures, joint ventures, partnerships, minority stakes or strategic alliances (including with MUFG), Morgan Stanley faces numerous risks and uncertainties in combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. Certain of these strategic initiatives, and integration thereof, may cause Morgan Stanley to incur incremental expenses and may also require incremental financial, management and other resources.

*For example, the integrations of E*TRADE and Eaton Vance involve a number of risks, including failure to realize anticipated cost savings and difficulty integrating the businesses. It is possible that the remaining integration processes could also result in unanticipated disruptions of ongoing businesses, the loss of key employees, the loss of clients, or overall integrations that take longer than originally anticipated.*

In the case of joint ventures, partnerships and minority stakes, Morgan Stanley is subject to additional risks and uncertainties because it may be dependent upon, and subject to liability, losses or reputational damage relating to systems, controls and personnel that are not under its control.

In addition, conflicts or disagreements between Morgan Stanley and any of its joint venture partners or partners may negatively impact the benefits to be achieved by the relevant joint venture or partnership, respectively.

There is no assurance that any of Morgan Stanley's acquisitions, divestitures or investments will be successfully integrated or disaggregated or yield all of the positive benefits and synergies anticipated. If Morgan Stanley is not able to integrate or disaggregate successfully Morgan Stanley's past and future acquisitions or dispositions, there is a risk that Morgan Stanley's results of operations, financial condition and cash flows may be materially and adversely affected.

Certain of Morgan Stanley's business initiatives, including expansions of existing businesses, may change its client or account profile or bring Morgan Stanley into contact, directly or indirectly, with individuals and entities that are not within its traditional client and counterparty base and may expose Morgan Stanley to new asset classes, services, competitors and new markets. These business activities expose Morgan Stanley to new and enhanced risks, greater regulatory scrutiny of these activities, increased credit-related, sovereign, compliance and operational risks, as well as franchise and reputational concerns regarding the manner in which these assets are being operated or held, or services are being delivered."

24. A new paragraph 1.26 shall be inserted on page 34 of the Base Prospectus, above the heading 'Risks relating to MSI plc, MSBV and MSFL' as follows:

    "Climate change manifesting as physical or transition risks could adversely affect Morgan Stanley's operations, businesses and clients.

    There is increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include acute events, such as flooding, extreme heat and wildfires, and chronic, longer-term shifts in climate patterns, such as increasing temperatures, sea level rise, and more frequent and prolonged drought. Such events could disrupt Morgan Stanley's operations or those of its clients or third parties on which it relies, including through direct damage to physical assets and indirect impacts from supply chain disruption and market volatility.

    Additionally, transitioning to a low-carbon economy will likely require extensive policy, legal, technology and market changes. Transition risks, including changes in consumer preferences and additional regulatory and legislative requirements, including carbon taxes, could increase Morgan Stanley's expenses and adversely impact its strategies and those of its clients.

    In addition, Morgan Stanley's reputation and client relationships may be adversely impacted as a result of its practices related to climate change, including its involvement, or Morgan Stanley's clients' involvement, in certain industries, projects, or initiatives associated with causing, or potentially slowing solutions to, climate change, as well as any decisions Morgan Stanley makes to continue to conduct or change its activities in response to considerations relating to climate change.

    As climate risk is interconnected with other risk types, including geopolitical risks, Morgan Stanley has developed and continues to enhance processes to embed climate risk considerations into its risk management strategies, as well as governance structures, established for risks such as market, credit and operational risks. Because the timing and severity of climate change events or societal changes in reaction to them may be difficult to predict, Morgan Stanley's risk management strategies may not be effective in mitigating climate risk exposure.

    In addition, the methodology and data used to manage and monitor climate risk continues to evolve and currently utilizes information and estimates that have been derived from information or factors released by third-party sources, which may not be current. Certain third-party information may also change over time as methodologies evolve and are refined. While Morgan Stanley believes this information is reasonable at the time, it may only be able to complete limited validation. These and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Morgan Stanley, which could also impact Morgan Stanley's management of risk in this area."

25. Paragraphs 1.26, 1.27, 1.28, 1.29, 1.30, 1.31, 1.32, 1.33 and 1.34 on pages 35 through to 38 shall be renumbered as follows:

- 1.26 shall be renumbered as 1.27;
- 1.27 shall be renumbered as 1.28;
- 1.28 shall be renumbered as 1.29;
- 1.29 shall be renumbered as 1.30;
- 1.30 shall be renumbered as 1.31;
- 1.31 shall be renumbered as 1.32;
- 1.32 shall be renumbered as 1.33;
- 1.33 shall be renumbered as 1.34; and
- 1.34 shall be renumbered as 1.35.

PART C - AMENDMENTS TO THE "DESCRIPTION OF MORGAN STANLEY" SECTION

1. The final paragraph of the section headed "*History and development of Morgan Stanley*" on page 908 of the Base Prospectus shall be deemed to be deleted and the following substituted therefor:

   "*The following is an extract from the sections entitled "Business Segments", "Competition" and "Supervision and Regulation" on pages 1-6 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021. References to the "Parent Company" are references to Morgan Stanley.*"

2. The section headed "*Business Segments*" on page 908 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "*We are a global financial services firm that maintains significant market positions in each of our business segments: Institutional Securities, Wealth Management and Investment Management. Through our subsidiaries and affiliates, we provide a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Additional information related to our business segments, respective clients, and products and services provided is included under "Management's Discussion and Analysis of Financial Condition and Results of Operations."*"

3. The section headed "*Competition*" on pages 908-909 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "*All aspects of our businesses are highly competitive, and we expect them to remain so. We compete in the U.S. and globally for clients, market share and human talent. Operating within the financial services industry on a global basis presents, among other things, technological, risk management, regulatory and other infrastructure challenges that require effective resource allocation in order for us to remain competitive. Our competitive position depends on a number of factors, including our reputation, the quality and consistency of our long-term investment performance, innovation, execution, relative pricing or other factors including entering into new, or expanding current, businesses as a result of acquisitions and other strategic initiatives. Our ability to sustain or improve our competitive position also depends substantially on our ability to continue to attract and retain highly qualified employees while managing compensation and other costs. We compete with commercial banks, brokerage firms, insurance companies, exchanges, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds and private equity funds, energy companies, financial technology firms and other companies offering financial or ancillary services in the U.S. and globally, as well as digitally, including through the internet. In addition, restrictive laws and regulations applicable to certain financial services institutions, which may prohibit us from engaging in certain transactions and impose more stringent capital and liquidity requirements, can put us at a competitive disadvantage to competitors in certain businesses not subject to these same requirements. See also "Supervision and Regulation" herein and "Risk Factors."*

   We compete directly in the U.S. and globally with other securities and financial services firms and broker-dealers and with others on a regional or product basis. Additionally, there is increased competition driven by established firms and asset managers, as well as the emergence of new firms and business models (including innovative uses of technology) competing for the same clients and assets or offering similar products and services to retail and institutional customers. We also compete with companies that provide online trading and banking services, investment advisor services, robo-advice capabilities, access to digital asset capabilities and services, and other financial products and services.

   Our ability to access capital at competitive rates (which is generally impacted by our credit ratings), to commit and to deploy capital efficiently, particularly in our capital-intensive underwriting and sales, trading, financing and market-making activities, also affects our competitive position. We expect corporate clients to continue to request that we provide loans or lending commitments in connection with certain investment banking activities.

   It is possible that competition may become even more intense as we continue to compete with financial or other institutions that may be larger, or better capitalized, or may have a stronger local presence and longer operating history in certain geographies or products. Many of these firms have the ability to offer a wide *range of products and services, and on different platforms, that may enhance their competitive position and could result in pricing pressure on our businesses.*

We continue to experience price competition in some of our businesses. In particular, the ability to execute securities, derivatives and other financial instrument trades electronically on exchanges, swap execution facilities and other automated trading platforms, and the introduction and application of new technologies will likely continue the pressure on revenues. The trend toward direct access to automated, electronic markets will likely continue as additional markets move to more automated trading platforms. We have experienced and will likely continue to experience competitive pressures in these and other areas in the future.

Our ability to compete successfully in the investment management industry is affected by several factors, including our reputation, investment objectives, quality of investment professionals, performance of investment strategies or product offerings relative to peers and appropriate benchmark indices, advertising and sales promotion efforts, fee levels, the effectiveness of and access to distribution channels and investment pipelines, and the types and quality of products offered. Our investment products, including alternative investment products, may compete with investments offered by other investment managers with passive investment products or who may be subject to less stringent legal and regulatory regimes than us."

4. The section headed "*Supervision and Regulation*" on page 909 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"*As a major financial services firm, we are subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where we conduct our business.*

We continue to monitor the changing political, tax and regulatory environment. While it is likely that there will be changes in the way major financial institutions are regulated in both the U.S. and other markets in which we operate, it remains difficult to predict the exact impact these changes will have on our business, financial condition, results of operations and cash flows for a particular future period. We expect to remain subject to extensive supervision and regulation.

Financial Holding Company

Consolidated Supervision. We operate as a BHC and FHC under the BHC Act and are subject to comprehensive consolidated supervision, regulation and examination by the Federal Reserve. In particular, we are subject to (among other things): significant regulation and supervision; intensive scrutiny of our businesses and plans for expansion of those businesses; limitations on activities; a systemic risk regime that imposes heightened capital and liquidity requirements; restrictions on activities and investments imposed by a section of the BHC Act added by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") referred to as the "Volcker Rule"; and comprehensive derivatives regulation. In addition, the Consumer Financial Protection Bureau ("CFPB") has primary rulemaking, enforcement and examination authority over us and our subsidiaries with respect to federal consumer protection laws, to the extent applicable.

Scope of Permitted Activities. The BHC Act limits the activities of BHCs and FHCs and grants the Federal Reserve authority to limit our ability to conduct activities. We must obtain the Federal Reserve's approval before engaging in certain banking and other financial activities both in the U.S. and internationally.

The BHC Act grandfathers "activities related to the trading, sale or investment in commodities and underlying physical properties," provided that we were engaged in "any of such activities as of September 30, 1997 in the U.S." and provided that certain other conditions that are within our reasonable control are satisfied. We currently engage in our commodities activities pursuant to the BHC Act grandfather exemption, as well as other authorities under the BHC Act.

Activities Restrictions under the Volcker Rule. The Volcker Rule prohibits banking entities, including us and our affiliates, from engaging in certain proprietary trading activities, as defined in the Volcker Rule, subject to exemptions for underwriting, market-making, risk-mitigating hedging and certain other activities. The Volcker Rule also prohibits certain investments and relationships by banking entities with covered funds, as *defined in the Volcker Rule, subject to a number of exemptions and exclusions. In addition, there is an extension until July 2022 for conformance for certain legacy covered funds.*

*Capital Requirements. The Federal Reserve establishes capital requirements largely based on the Basel III capital standards established by the Basel Committee on Banking Supervision ("Basel Committee"), including well-capitalized standards, for large BHCs and evaluates our compliance with such requirements. The OCC establishes similar capital requirements and standards for Morgan Stanley Bank, N.A. ("MSBNA"), Morgan Stanley Private Bank, National Association ("MSPBNA"), E*TRADE Bank ("ETB") and E*TRADE Savings Bank ("ETSB"), a wholly owned subsidiary of ETB (collectively, our "U.S. Bank Subsidiaries"). On January 1, 2022, ETSB merged with and into ETB, and subsequently ETB merged with and into MSPBNA, with MSPBNA as the surviving bank.*

The Basel Committee has published a comprehensive set of revisions to its Basel III Framework. The impact on us of any revisions to the Basel Committee's capital standards is uncertain and depends on future rulemakings by the U.S. banking agencies.

In addition, many of our regulated subsidiaries are subject to regulatory capital requirements, including regulated subsidiaries provisionally registered as swap dealers with the CFTC or conditionally registered as security-based swap dealers with the SEC or registered as broker-dealers or futures commission merchants.

For more information about the specific capital requirements applicable to us and our U.S. Bank Subsidiaries, as well as our subsidiaries that are swap dealers and security-based swap dealers, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements" and Note 17 to the financial statements.

Capital Planning, Stress Tests and Capital Distributions. The Federal Reserve has adopted capital planning and stress test requirements for large BHCs, including Morgan Stanley. For more information about our capital planning and stress test requirements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements."

In addition, the Federal Reserve, the OCC and the FDIC have the authority to prohibit or to limit the payment of dividends by the banking organizations they supervise, including us and our U.S. Bank Subsidiaries, if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization. For information about the Federal Reserve's restrictions on capital distributions for large BHCs, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Capital Plans, Stress Tests and the Stress Capital Buffer." All of these policies and other requirements could affect our ability to pay dividends and/or repurchase stock or require us to provide capital assistance to our U.S. Bank Subsidiaries under circumstances that we would not otherwise decide to do.

Liquidity Requirements. In addition to capital regulations, the U.S. banking agencies have adopted liquidity and funding standards, including the LCR, the NSFR, liquidity stress testing and associated liquidity reserve requirements.

For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations— Liquidity and Capital Resources—Balance Sheet— Regulatory Liquidity Framework."

Systemic Risk Regime. Under rules issued by the Federal Reserve, large BHCs, including Morgan Stanley, must conduct internal liquidity stress tests, maintain unencumbered highly liquid assets to meet projected net cash outflows for 30 days over the range of liquidity stress scenarios used in internal stress tests, and comply with various liquidity risk management requirements. These large BHCs also must comply with a range of risk management and corporate governance requirements.

The Federal Reserve also imposes single-counterparty credit limits ("SCCL") for large banking organizations. U.S. GSIBs, including us, are subject to a limit of 15% of Tier 1 capital for aggregate net credit exposures to any "major counterparty" (defined to include other U.S. G-SIBs, foreign G-SIBs and non-bank systemically important financial institutions supervised by the Federal Reserve). In addition, we are subject to a limit of 25% of Tier 1 capital for aggregate net credit exposures to any other unaffiliated counterparty.

The Federal Reserve has proposed rules that would create a new early remediation framework to address financial distress or material management weaknesses. The Federal Reserve also has the ability to establish additional prudential standards, including those regarding contingent capital, enhanced public disclosures and limits on short-term debt, including off-balance sheet exposures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements."

If the Federal Reserve or the Financial Stability Oversight Council determines that a BHC with $250 billion or more in consolidated assets poses a "grave threat" to U.S. financial stability, the institution may be, among other things, restricted in its ability to merge or offer financial products and/or required to terminate activities and dispose of assets. See also "Capital Requirements" and "Liquidity Requirements" and "Resolution and Recovery Planning" herein.

Resolution and Recovery Planning. We are required to submit once every two years to the Federal Reserve and the FDIC a resolution plan that describes our strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of our material financial distress or failure. Interim updates are required in certain limited circumstances, including material mergers or acquisitions or fundamental changes to our resolution strategy.

Our preferred resolution strategy, which is set out in our most recent resolution plan, is an SPOE strategy, which generally contemplates the provision of adequate capital and liquidity by the Parent Company to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy after the Parent Company has filed for bankruptcy.

Our next resolution plan is due July 1, 2023. Further, we submit an annual recovery plan to the Federal Reserve that outlines the steps that management could take over time to generate or conserve financial resources in times of prolonged financial stress.

Certain of our domestic and foreign subsidiaries are also subject to resolution and recovery planning requirements in the jurisdictions in which they operate. For example, the FDIC currently requires certain insured depository institutions ("IDI"), including MSBNA and MSPBNA, to submit a resolution plan every three years, that describes the IDI's strategy for a rapid and orderly resolution in the event of material financial distress or failure of the IDI.

In addition, certain financial companies, including BHCs such as the Firm and certain of its subsidiaries, can be subject to a resolution proceeding under the orderly liquidation authority, with the FDIC being appointed as receiver, provided that determination of extraordinary financial distress and systemic risk is made by the U.S. Treasury Secretary in consultation with the U.S. President. Regulators have adopted certain orderly liquidation authority implementing regulations and may expand or clarify these regulations in the future. If we were subject to the orderly liquidation authority, the FDIC would have considerable powers, including: the power to remove directors and officers responsible for our failure and to appoint new directors and officers; the power to assign our assets and liabilities to a third party or bridge financial company without the need for creditor consent or prior court review; the ability to differentiate among our creditors, including treating certain creditors within the same class better than others, subject to a minimum recovery right on the part of disfavored creditors to receive at least what they would have received in bankruptcy liquidation; and broad powers to administer the claims process to determine distributions from the assets of the receivership. The FDIC has been developing an SPOE strategy that could be used to implement the orderly liquidation authority.

Regulators have also taken and proposed various actions to facilitate an SPOE strategy under the U.S. Bankruptcy Code, the orderly liquidation authority or other resolution regimes.

For more information about our resolution plan-related submissions and associated regulatory actions, see "Risk Factors—Legal, Regulatory and Compliance Risk," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Total Loss- Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements" and "Management's Discussion and Analysis of Financial Condition and Results of

Operations— Liquidity and Capital Resources—Regulatory Requirements —Resolution and Recovery Planning."

Cyber and Information Security Risk Management and Protection of Client Information

The financial services industry faces increased global regulatory focus regarding cyber and information security risk management practices. Many aspects of our businesses are subject to cybersecurity legal and regulatory requirements enacted by U.S. federal and state governments and other non- U.S. jurisdictions. These laws are generally aimed at codifying basic cybersecurity protections and mandating data breach notification requirements.

Our businesses are also subject to increasing privacy and data protection legal requirements concerning the use and protection of certain personal information. These requirements impose mandatory privacy and data protection obligations, including providing for individual rights, enhanced governance and accountability requirements, and significant fines and litigation risk for noncompliance. In addition, several jurisdictions have enacted or proposed personal data localization requirements and restrictions on cross-border transfer of personal data that may restrict our ability to conduct business in those jurisdictions or create additional financial and regulatory burdens to do so.

Many aspects of our businesses are subject to legal requirements concerning the use and protection of certain customer information, as well as the privacy and cybersecurity laws referenced above. We have adopted measures designed to comply with these and related applicable requirements in all relevant jurisdictions.

U.S. Bank Subsidiaries The U.S. Bank Subsidiaries are FDIC-insured depository institutions subject to supervision, regulation and examination by the OCC and are subject to the OCC's risk governance guidelines, which establish heightened standards for a large IDI's risk governance framework and the oversight of that framework by the IDI's board of directors. The U.S. Bank Subsidiaries are also subject to prompt corrective action standards, which require the relevant federal banking regulator to take prompt corrective action with respect to a depository institution if that institution does not meet certain capital adequacy standards. In addition, BHCs, such as Morgan Stanley, are required to serve as a source of strength to their U.S. bank subsidiaries and commit resources to support these subsidiaries in the event such subsidiaries are in financial distress.

Our U.S. Bank Subsidiaries are also subject to Sections 23A and 23B of the Federal Reserve Act, which impose restrictions on certain transactions with affiliates, including any extension of credit to, or purchase of assets from an affiliate. These restrictions limit the total amount of credit exposure that our U.S. Bank Subsidiaries may have to any one affiliate and to all affiliates and require collateral for those exposures. Section 23B requires affiliate transactions to be on market terms.

As commonly controlled FDIC-insured depository institutions, each of the U.S. Bank Subsidiaries could be responsible for any loss to the FDIC from the failure of another U.S. Bank Subsidiary.

Institutional Securities and Wealth Management

*Broker-Dealer and Investment Adviser Regulation. Our primary U.S. broker-dealer subsidiaries, Morgan Stanley & Co. LLC ("MS&Co."), MSSB and E*TRADE Securities LLC, are registered broker-dealers with the SEC and in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands and are members of various self-regulatory organizations, including Financial Industry Regulatory Authority ("FINRA"), and various securities exchanges and clearing organizations. Broker-dealers are subject to laws and regulations covering all aspects of the securities business, including sales and trading practices, securities offerings, publication of research reports, use of customers' funds and securities, capital structure, risk management controls in connection with market access, recordkeeping and retention, and the conduct of their directors, officers, representatives and other associated persons. Broker-dealers are also regulated by securities administrators in those states where they do business. Our broker-dealer subsidiaries are members of the Securities Investor Protection Corporation.*

MSSB is also a registered investment adviser with the SEC. MSSB's relationship with its investment advisory clients is subject to the fiduciary and other obligations imposed on investment advisers. The SEC and other supervisory bodies generally have broad administrative powers to address noncompliance, including the *power to restrict or limit MSSB from carrying on its investment advisory and other asset management activities.*

The Firm is subject to various regulations that affect brokerdealer sales practices and customer relationships, including the SEC's "Regulation Best Interest," which requires brokerdealers to act in the "best interest" of retail customers at the time a recommendation is made without placing the financial or other interests of the broker-dealer ahead of the interest of the retail customer.

Margin lending by our broker-dealers is regulated by the Federal Reserve's restrictions on lending in connection with customer and proprietary purchases and short sales of securities. Our broker-dealers are also subject to maintenance and other margin requirements imposed under FINRA and other self-regulatory organization rules.

Our U.S. broker-dealer subsidiaries are subject to the SEC's net capital rule and the net capital requirements of various exchanges, other regulatory authorities and self-regulatory organizations. For more information about these requirements, see Note 17 to the financial statements.

Research. In addition to research-related regulations currently in place in the U.S. and other jurisdictions, regulators continue to focus on research conflicts of interest and may impose additional regulations.

*Regulation of Futures Activities and Certain Commodities Activities. MS&Co. and E*TRADE Futures LLC, as futures commission merchants, and MSSB, as an introducing broker, are subject to net capital requirements of, and certain of their activities are regulated by, the CFTC, the NFA, the Joint Audit Committee (including the CME Group, in its capacity as MS&Co.'s designated self-regulatory organization), and various commodity futures exchanges. Rules and regulations of the CFTC, NFA, the Joint Audit Committee (including the CME Group) and commodity futures exchanges address obligations related to, among other things, customer asset protections, including rules and regulations governing the segregation of customer funds, the use by futures commission merchants of customer funds, the margining of customer accounts and documentation entered into by futures commission merchants with their customers, recordkeeping and reporting obligations of futures commission merchants and introducing brokers, risk disclosure and risk management.*

Our commodities activities are subject to extensive and evolving laws and regulations in the U.S. and abroad.

Derivatives Regulation. We are subject to comprehensive regulation of our derivatives businesses, including regulations that impose margin requirements, public and regulatory reporting, central clearing and mandatory trading on regulated exchanges or execution facilities for certain types of swaps and security-based swaps (collectively, "Swaps.")

CFTC and SEC rules require registration of swap dealers and security-based swap dealers, respectively, and impose numerous obligations on such registrants, including adherence to business conduct standards for all in-scope Swaps. We have provisionally or conditionally registered a number of U.S. and non U.S. swap dealers and security-based swap dealers. Swap dealers and security-based swap dealers regulated by a prudential regulator are subject to uncleared Swap margin requirements and minimum capital requirements established by the prudential regulators. Swap dealers and security-based swap dealers not subject to regulation by a prudential regulator are subject to uncleared Swap margin requirements and minimum capital requirements established by the CFTC and SEC, respectively. In some cases, the CFTC and SEC permit non-U.S. swap dealers and security-based swap dealers that do not have a prudential regulator to comply with applicable non-U.S. uncleared Swap margin and minimum capital requirements instead of direct compliance with CFTC or SEC requirements.

Investment Management

Many of the subsidiaries engaged in our investment management activities are registered as investment advisers with the SEC. Many aspects of our investment management activities are also subject to federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict us from carrying on our investment management activities in the event that we fail to comply with such laws and regulations.

In addition, certain of our subsidiaries are U.S. registered broker-dealers and act as distributors to our proprietary mutual funds and as placement agents to certain private investment funds managed by our Investment Management business segment. Certain of our affiliates are registered as commodity trading advisors and/or commodity pool operators, or are operating under certain exemptions from such registration pursuant to CFTC rules and other guidance, and have certain responsibilities with respect to each pool they advise. Our investment management activities are subject to additional laws and regulations, including restrictions on sponsoring or investing in, or maintaining certain other relationships with, covered funds, as defined by the Volcker Rule, subject to certain limited exemptions. See also "Financial Holding Company—Activities Restrictions under the Volcker Rule," "Institutional Securities and Wealth Management—Broker-Dealer and Investment Adviser Regulation," "Institutional Securities and Wealth Management—Regulation of Futures Activities and Certain Commodities Activities," and "Institutional Securities and Wealth Management—Derivatives Regulation" herein and "Non-U.S. Regulation" herein for a discussion of other regulations that impact our Investment Management business activities.

U.S. Consumer Protection

We are subject to supervision and regulation by the CFPB with respect to U.S. federal consumer protection laws. Federal consumer protection laws to which we are subject include the Privacy of Consumer Financial Information Act, Equal Credit Opportunity Act, Home Mortgage Disclosure Act, Electronic Fund Transfer Act, Fair Credit Reporting Act, Real Estate Settlement Procedures Act, Truth in Lending Act and Truth in Savings Act, all of which are enforced by the CFPB. We are also subject to certain federal consumer protection laws enforced by the OCC, including the Servicemembers Civil Relief Act. Furthermore, we are subject to certain state consumer protection laws, and under the Dodd-Frank Act, state attorneys general and other state officials are empowered to enforce certain federal consumer protection laws and regulations. These federal and state consumer protection laws apply to a range of our activities.

Non-U.S. Regulation

All of our businesses are regulated extensively by non-U.S. regulators, including governments, central banks and regulatory bodies, securities exchanges, commodity exchanges, self-regulatory organizations, especially in those jurisdictions in which we maintain an office. Certain regulators have prudential, business conduct and other authority over us or our subsidiaries, as well as powers to limit or restrict us from engaging in certain businesses or to conduct administrative proceedings that can result in censures, fines, the issuance of cease-and-desist orders, or the suspension or expulsion of a regulated entity or its affiliates. Certain of our subsidiaries are subject to capital, liquidity, leverage and other prudential requirements that are applicable under non-U.S. law.

Financial Crimes Program

Our Financial Crimes program is coordinated on an enterprise-wide basis and supports our financial crime prevention efforts across all regions and business units with responsibility for governance, oversight and execution of our anti-money laundering ("AML"), economic sanctions ("Sanctions"), anti-corruption, anti-tax evasion, and government and political activities compliance programs.

In the U.S., the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 and the Anti-Money Laundering Act of 2020, impose significant obligations on financial institutions to detect and deter money laundering and terrorist financing activity, including requiring banks, BHCs and their subsidiaries, broker-dealers, futures commission merchants, introducing brokers and mutual funds to implement AML programs, verify the identity of customers that maintain accounts, and monitor and report suspicious activity to appropriate law enforcement or regulatory authorities. Outside the U.S., applicable laws, rules and regulations similarly require designated types of financial institutions to implement AML programs.

We are also subject to Sanctions, such as regulations and economic sanctions programs administered by the U.S. Treasury's Office of Foreign Assets Control ("OFAC") and similar sanctions programs imposed by foreign governments or global or regional multilateral organizations, and anticorruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, in the jurisdictions in which we operate. Anti-corruption laws generally prohibit offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to a government official or private party in order to influence official action or otherwise gain an unfair business advantage, such as to obtain or retain business."

5. Sub-paragraph (a) of the sub-section titled "*7. Legal Proceedings and Contingencies*" set out on pages 930 – 935 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

"*(a) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" on pages 117-118 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021;*"

6. The paragraph headed "*Auditors*" of the sub-section titled "*8. Additional Information*" set out on page 935 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

"*The consolidated financial statements of Morgan Stanley and subsidiaries as of 31 December 2020 and 31 December 2021 and each of the three years in the period ended 31 December 2021, and the effectiveness of internal control over financial reporting as of 31 December 2021, which are incorporated in this Registration Document, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm registered with the Public Company Accounting Oversight Board (United States of America), as stated in their reports dated 24 February 2022.*"

7. The final sub-paragraph of the paragraph headed "*Trend Information*" of the sub-section titled "*8. Additional Information*" set out on page 936 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

"*There has been no material change in the prospects of Morgan Stanley since 31 December 2021.*"

8. The paragraph headed "*Significant Change*" of the sub-section titled "*8. Additional Information*" set out on page 936 of the Base Prospectus shall be deleted in its entirety and the following substituted therefor:

"There has been no significant change in the financial performance or financial position of Morgan Stanley or the Morgan Stanley Group since 31 December 2021."

9. The final sub-paragraph of the paragraph headed "*Share Capital*" of the sub-section titled "*8. Additional Information*" set out on page 936 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

"*The issued, non-assessable and fully paid-up share capital of Morgan Stanley at 31 December 2021 comprised 2,038,893,979 ordinary shares of nominal value U.S. $0.01.*"

PART D - AMENDMENTS TO THE "DESCRIPTION OF MORGAN STANLEY & CO. INTERNATIONAL PLC" SECTION

1. Sub-paragraph (a) of the sub-section titled "*7. Legal Proceedings*" set out on pages 944 - 947 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "(*a) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" on pages 117-118 and the section entitled "Legal Proceedings" at pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021;*"

PART E - AMENDMENTS TO THE "GENERAL INFORMATION" SECTION

1. Sub-paragraph (g) of the "*General Information*" section of the Base Prospectus set out on page 980 therein shall be *deleted* in its entirety and the following substituted therefor:

   "*(g) Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2021 and Morgan Stanley's Proxy Statement dated 1 April 2021;*"