

THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE *PREMIER SUPPLEMENT* DATED 7 OCTOBER 2020 WHICH WAS APPROVED UNDER NUMBER NO.20-495 FROM THE *AUTORITE DES MARCHES FINANCIERS* ON 7 OCTOBER 2020 (THE "**FIRST SUPPLEMENT**"), WHICH SUPPLEMENTS THE FRENCH LANGUAGE *PROSPECTUS DE BASE* DATED 17 JULY 2020 WHICH WAS APPROVED UNDER NUMBER NO.20-363 FROM THE *AUTORITE DES MARCHES FINANCIERS* ON 17 JULY 2020 (THE "**BASE PROSPECTUS**"). ONLY THE FRENCH LANGUAGE *PROSPECTUS DE BASE* WAS APPROVED BY THE *AUTORITE DES MARCHES FINANCIERS*. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THE *PREMIER SUPPLEMENT* AND THIS DOCUMENT, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE *PREMIER SUPPLEMENT* SHALL PREVAIL. FOR THE AVOIDANCE OF DOUBT, REFERENCES IN THIS DOCUMENT TO THE "BASE PROSPECTUS" AND TO THE "FIRST SUPPLEMENT" ARE RESPECTIVELY TO THE FRENCH LANGUAGE "*PROSPECTUS DE BASE*" AND THE FRENCH LANGUAGE "*PREMIER SUPPLEMENT*" AND DO NOT INCLUDE THEIR ENGLISH TRANSLATION, HOWEVER FOR EASE OF REFERENCE THE PAGE NUMBERS SET OUT BELOW REFER TO THE PAGES IN THE ENGLISH TRANSLATION OF THE *PROSPECTUS DE BASE*.

**FIRST SUPPLEMENT DATED 7 OCTOBER 2020
TO THE BASE PROSPECTUS DATED 17 JULY 2020**

Morgan Stanley

*as issuer and guarantor of the Notes issued by Morgan Stanley B.V. and Morgan Stanley Finance LLC
(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)*

€2,000,000,000

FRENCH LAW PROGRAMME FOR THE ISSUANCE OF NOTES

This first supplement (the **First Supplement**) supplements and must be read in conjunction with the base prospectus dated 17 July 2020 submitted to the *Autorité des marchés financiers* (the **AMF**) which was approved under number No. 20-363 on 17 July 2020, in connection with the Euro 2,000,000,000 Programme for the issuance of notes (the **Programme**) of Morgan Stanley (**Morgan Stanley**), Morgan Stanley & Co. International plc (**MSIP** or **MSI plc**), Morgan Stanley B.V. (**MSBV**) and Morgan Stanley Finance LLC (**MSFL**) and, together with Morgan Stanley, MSIP and MSBV the "**Issuers**" and each, an "**Issuer**") with Morgan Stanley acting in its capacity as guarantor of the Notes issued by MSBV and MSFL (the **Base Prospectus**). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

The Base Prospectus constitutes a base prospectus in accordance with Article 8 of the Regulation (EU) 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, as amended (the **Prospectus Regulation**).

Application has been made to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation.

This First Supplement has been prepared in accordance with Article 23 of the Prospectus Regulation and for the purposes of:

- (a) disclose the publication by Morgan Stanley on 4 August 2020 of its Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2020 (the **Morgan Stanley's Second Quarterly Report for 2020**);
- (b) make certain amendments to the section entitled "Risk Factors" as set out in "Part 1" of this First Supplement;
- (c) to incorporate by reference Morgan Stanley's Second Quarterly Report for 2020 as set out in "Part 2" of this First Supplement; and
- (d) make consequential amendments to the section entitled "General Information" as set out in "Part 3" of this First Supplement.

A copy of this First Supplement shall be available on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuers (<http://sp.morganstanley.com/EU/Documents>).

In accordance with Article 23.2 of the Prospectus Regulation, investors who have agreed to purchase or subscribe for Notes before this First Supplement is published have the right to withdraw their acceptances during two working days after the publication of this First Supplement, i.e. no later than 9 October 2020, provided that the 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. Investors may notify the relevant Issuer or Authorised Offeror, as the case may be, should they wish to exercise the right of withdrawal.

Save as disclosed in this First Supplement, no significant new fact, material mistake or material inaccuracy has arisen or has been noted which may affect the assessment of the Notes since the approval of the Base Prospectus.

To the extent that there is any inconsistency between any statement in this First Supplement and any statement in or incorporated by reference into the Base Prospectus, the statements of this First Supplement shall prevail.

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PART 1 - AMENDMENTS TO THE RISK FACTORS SECTION

- 1.1 The paragraph entitled "*The results of operations of Morgan Stanley have been, and will likely continue to be, adversely affected by the COVID-19 pandemic*" on page 17 and 18 of the Base Prospectus is amended as follows (the amendments appear in track changes):

"The results of operations of Morgan Stanley have been, and will likely continue to be, adversely affected by the COVID-19 pandemic

The coronavirus disease (COVID-19) pandemic has, and will likely continue to, severely impact global economic conditions, resulting in substantial volatility in the global financial markets, increased unemployment, and operational challenges such as the temporary closures of businesses, sheltering-in-place directives and increased remote work protocols. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, though it is unclear whether these or future actions will be successful in countering the economic disruption. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, the adverse impact on the global economy will deepen, and Morgan Stanley's results of operations and financial condition in future quarters will be adversely affected.

Towards the end of the first quarter of 2020 and ~~into April~~ [the second quarter of](#) 2020, the pandemic impacted each of Morgan Stanley's business segments and such impact will likely be greater in future quarters if conditions persist (e.g., decline and volatility of asset prices, reduction in interest rates, widening of credit spreads, credit deterioration, market volatility and reduced investment banking advisory activity). This resulted in significant decreases in the valuation of loans and commitments, investments and certain classes of trading assets, an increase in the allowance for credit losses, reduced net interest income, and reduced investment banking advisory fees. [For example, during the second quarter of 2020, Morgan Stanley have recognised provisions for credit losses on loans and lending commitments of \\$239 million.](#) At the same time, increased revenues for certain products related to high levels of client trading activity, as well as balance sheet growth from increased deposits and derivative assets, may not be replicated in future quarters.

Should these global market conditions be prolonged or worsen, or the pandemic lead to additional market disruptions, Morgan Stanley could experience reduced client activity and demand for Morgan Stanley's products and services, higher credit and valuation losses in Morgan Stanley's loan and commitment and investment portfolios, impairments of other financial assets and other negative impacts on Morgan Stanley's financial position, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to Morgan Stanley's credit ratings. In addition, the sharp decline in interest rates will further decrease interest margins in Morgan Stanley's lending businesses across Wealth Management and Institutional Securities. A continued slowdown of commercial activity would cause overall investment banking revenues to decline and the decline in assets under management and client balances will also further reduce fee and financing revenues across all of Morgan Stanley's business segments.

Operationally, although Morgan Stanley has initiated a work remotely protocol and restricted business travel of Morgan Stanley's workforce, 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.

While the COVID-19 pandemic negatively impacted Morgan Stanley's results of operations in the first quarter [and second quarter](#) of 2020, the extent to which it, and the related global economic crisis, affect Morgan Stanley's businesses, results of operations and financial condition, as well as Morgan Stanley's regulatory capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period, 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 the other risks described in the section entitled “Risk Factors” in Morgan Stanley’s most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K.”

PART 2 - AMENDMENTS TO THE DOCUMENTS INCORPORATED BY REFERENCE SECTION

This First Supplement incorporates by reference Morgan Stanley's Second Quarterly Report for 2020 and supplements the section entitled "*Documents Incorporated by Reference*" contained on pages 82 to 92 of the Base Prospectus.

Morgan Stanley's Second Quarterly Report for 2020 incorporated by Reference in this First Supplement is available (i) on Morgan Stanley's website at <https://www.morganstanley.com/about-us-ir/shareholder/10q0620.pdf> and (ii) on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The section entitled "*Documents Incorporated by Reference*" shall be modified as follows:

2.1 the following Paragraph (n) is inserted on page 83 of the Base Prospectus:

"(n) Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2020 (**Morgan Stanley's Second Quarterly Report for 2020**); <https://www.morganstanley.com/about-us-ir/shareholder/10q0620.pdf>"

2.2 the section entitled "**Incorporation by Reference Table**" on pages 84 to 88 of the Base Prospectus is updated as follows by the insertion of the following table immediately after the title "**Morgan Stanley**":

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley's Second Quarterly Report for 2020	(1) Financial Information	2
	(2) Management's Discussion and Analysis of Financial Condition and Results of Operations	2-31
	(3) Quantitative and Qualitative Disclosures about Risk	32-42
	(4) Report of Independent Registered Public Accounting Firm	43
	(5) Consolidated Financial Statements and Notes	44-86
	(6) Consolidated Income Statements (Unaudited)	44
	(7) Consolidated Comprehensive Income Statements (Unaudited)	45
	(8) Consolidated Balance Sheets (Unaudited at 30 June 2020)	46
	(9) Consolidated Statements of Changes in Total Equity (Unaudited)	47
	(10) Consolidated Cash Flow Statements (Unaudited)	48
	(11) Notes to Consolidated Financial Statements (Unaudited)	49-86
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(13)	Glossary of Common Terms and Acronyms	88-89
(14)	Other Information	90
(15)	Legal Proceedings	90
(16)	Unregistered Sales of Equity Securities and Use of Proceeds	90
(17)	Controls and Procedures	91
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2.3 Any non-incorporated parts of a document referred to in this First Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in the First Supplement.

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

Document incorporated by reference

Morgan Stanley's Second Quarterly Report for 2020

Information not incorporated by reference

Risk Factors
Exhibits
Exhibit Index

PART 3 – AMENDMENTS TO THE GENERAL INFORMATION SECTION

- 3.1 The first paragraph of the sub-section entitled "***No significant change in the financial position or financial performance***" on page 528 of the Base Prospectus is deleted and replaced as follows:

"There has been at the date of this First Supplement no significant change in the financial position or financial performance of Morgan Stanley since 30 June 2020."

- 3.2 The sub-section entitled "***Legal and arbitration proceedings relating to Morgan Stanley***" is inserted in the Base Prospectus after the sub-section entitled "***No significant change in the financial position or financial performance***" on page 529 of the Base Prospectus as follows:

"Legal and arbitration proceedings relating to Morgan Stanley

Save as disclosed in:

- (a) the paragraphs beginning with "*Legal*" under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements*" at pages 124 to 126 and the section entitled "*Legal Proceedings*" at pages 159 to 163 of the 2019 Morgan Stanley Annual Report;
- (b) the paragraphs beginning with "*Legal*" under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" at pages 69 to 71 and the section entitled "*Legal Proceedings*" at page 84 of Morgan Stanley's First Quarterly Report for 2020; and
- (c) the paragraphs beginning with "*Legal*" under the heading "*Contingencies*" under the heading "*Commitments, Guarantees and Contingencies*" in "*Notes to Consolidated Financial Statements (Unaudited)*" at pages 74 to 76 and the section entitled "*Legal Proceedings*" at page 90 of Morgan Stanley's Second Quarterly Report for 2020.

there are no, nor have there been, during the 12-month period before the date of the Base Prospectus as supplemented by this First Supplement, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley is aware) which may have, or have had in the recent past significant effects on Morgan Stanley and/or the Morgan Stanley Group financial position or profitability."

- 3.3 The sub-section entitled "***Documents Available***" on pages 530 and 531 of the Base Prospectus is amended as follows:

Item (h) is deleted and replaced as follows:

- "(h) the 2019 Morgan Stanley Annual Report, Morgan Stanley's First Quarterly Report for 2020 and Morgan Stanley's Second Quarterly Report for 2020;"

PART 4 - RESPONSIBILITY FOR THE FIRST SUPPLEMENT

Persons responsible for this First Supplement

We hereby certify that the information contained in this First Supplement (except the information relating to Morgan Stanley, MSIP and MSFL) is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley B.V.
Luna Arena
Herikerbergweg 238
1101 CM Amsterdam Zuidoost
Netherlands

Duly represented by:

TMF Management BV
as Managing Director

Duly represented by:

Peter de Reus and Saskia Engel
as authorised representatives of TMF Management BV

on 6 October 2020

I hereby certify that the information contained in this First Supplement (except the information relating to Morgan Stanley, MSBV and MSFL) is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Duly represented by:
David Russell
in his capacity as authorised signatory

on 6 October 2020

I hereby certify that the information contained in this First Supplement (except the information relating to Morgan Stanley, MSIP and MSBV) is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley Finance LLC
1585 Broadway
New York, New York 10036
U.S.A

Duly represented by:
Keval Shah
in his capacity as authorised signatory

on 6 October 2020

I hereby certify that the information contained in this First Supplement is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley
1585 Broadway
New York, New York 10036
U.S.A.

Duly represented by:
Michael Aquino
in his capacity as authorised signatory

on 6 October 2020



This First Supplement has been approved on 7 October 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this First Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuers described in this First Supplement.

The First Supplement has the following approval number: 20-495.