SEVENTH 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 seventh base prospectus supplement (the "**Seventh Base Prospectus Supplement**") to supplement and be read in conjunction with the base prospectus dated 7 July 2022 of Morgan Stanley, MSI plc, MSBV and MSFL (the "**Base Prospectus**" as supplemented from time to time) relating to the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

This Seventh Base Prospectus Supplement has been approved by:

(i) the Financial Conduct Authority ("**FCA**") as competent authority under the UK Prospectus Regulation (as defined below). The FCA only approves this Seventh 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; and

(ii) the Luxembourg Stock Exchange pursuant to the appendices to the Rules and Regulations of the Luxembourg Stock Exchange for the purpose of providing information with regard to the Issuers and the Guarantor for the purpose of listing Program Securities on the Official List and to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market is not a regulated market for the purposes of Directive 2014/65/EU.

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

The purpose of this Seventh 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 2022 (the "**Morgan Stanley 2022 Form 10-K**"), as filed with the United States Securities and Exchange Commission;

(b) incorporate the Morgan Stanley 2022 Form 10-K by reference into the Base Prospectus, as set out in "Part A" of this Seventh Base Prospectus Supplement;

(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 Seventh 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 Seventh 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 Seventh 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 Seventh 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 Seventh 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 Seventh 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 2023.

Save as disclosed in this Seventh 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 Seventh Base Prospectus Supplement which comprises this Seventh Base Prospectus Supplement with the exception of Part D hereto;

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

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

This Seventh Base Prospectus Supplement and the Morgan Stanley 2022 Form 10-K are available for viewing, and copies may be obtained from, the officers of the Issuers and the Paying Agents.

This Seventh Base Prospectus Supplement is available on Morgan Stanley's website at http://sp.morganstanley.com/EU/Documents and on the website of the Luxembourg Stock Exchange at https://www.luxse.com/.

The Morgan Stanley 2022 Form 10-K is available on Morgan Stanley's website at https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10k2022/10k1222.pdf.

17 March 2023

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 Seventh Base Prospectus Supplement incorporates by reference the Morgan Stanley 2022 Form 10-K and supplements the section entitled "*Incorporation by Reference*" contained on pages 91 to 99 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 91-99 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 2022 https://www.morganstanley.com/content/dam/msdotcom/en/about-us-ir/shareholder/10k2022/10k1222.pdf	(1)	Business	1-8
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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. Any documents incorporated by reference into the documents listed above do not form part of this Base Prospectus.

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

1. The title and six paragraphs under the section titled "*Risks relating to the financial situation of Morgan Stanley*" at pages 17 to 18 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

   *"***Risks relating to the financial situation of Morgan Stanley**

   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 56 – 60 of the Morgan Stanley 2022 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 60 – 66 of the Morgan Stanley 2022 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.

   If any of the risks specified above crystallise, there may be a negative impact on the financial situation of Morgan Stanley which in turn may affect its ability to meet its payment obligations under any issuance of Notes.

   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 69 of the Morgan Stanley 2022 Form 10-K.*"*

2. The title and each paragraph under the section titled "*Morgan Stanley's results of operations may be adversely affected by the COVID-19 pandemic"* at page 18 of the Base Prospectus shall be deleted in their entirety.

3. The title and six paragraphs under the section titled "*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*" at pages 18 to 19 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

   ***"Morgan Stanley's results of operations may be materially affected by market fluctuations and by global financial market and economic conditions and other factors**.*

   Morgan Stanley's results of operations have been in the past and may, in the future, be materially affected by global financial market and economic conditions, both directly and indirectly through their impact on client activity levels. These include the level and volatility of equity, fixed income and commodity prices, the level and term structure of interest rates, inflation and currency values, the level of other market indices, fiscal or monetary policies established by central banks and financial regulators, and uncertainty concerning government shutdowns, debt ceilings or funding, which may be driven by economic conditions, market uncertainty or lack of confidence among investors and clients due to the effects of widespread events such as global pandemics, natural disasters, climate-related incidents, acts of war or aggression, geopolitical instability, changes to global trade policies and the implementation of tariffs or protectionist trade policies and other factors, or a combination of these or other factors. For example, in

2022, the global economic and geopolitical environment was characterized by persistent inflation, rising interest rates, volatility in global financial markets (leading to, among other things, a decline in equity prices), supply chain complications, recessionary fears, and geopolitical uncertainty regarding the war between Russia and Ukraine and its impact on the global markets, including the energy markets.

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, can be impacted by market uncertainty or lack of investor and client confidence due to unforeseen economic, geopolitical or market conditions that in turn affect 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 unfavorable market or economic conditions may have adverse impacts on the level of individual investor confidence and participation in the global markets and/or the level of and mix of client assets, 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 the results of 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 markets may make it difficult to value and monetize certain of Morgan Stanley's financial instruments, particularly during periods of market uncertainty or 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 adversely affect 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, which could lead to increased individual counterparty risk for Morgan Stanley's businesses. Although Morgan Stanley's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves, severe market events have historically been difficult to predict, and Morgan Stanley could realize significant losses if extreme market events were to occur."

4. The paragraph under the section titled "*Holding large and concentrated positions may expose Morgan Stanley to losses*" at page 19 of the Base Prospectus shall be deleted in its entirety and the following substituted therefor:

   "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 unfavorable market movements. Morgan Stanley commits substantial amounts of capital to these businesses, which often results in its taking large positions in the securities of, or making large loans to, a particular issuer or issuers in a particular industry, country or region. In the event Morgan Stanley holds a concentrated position larger than those held by competitors, it may incur larger losses that have a negative effect on its financial situation which in turn could result in Morgan Stanley failing to meet its payment obligations to the Holders of the Notes."

5. The five paragraphs under the section titled "*Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations*" at pages 19 to 20 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

   "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 realised 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, and residential mortgage loans, including 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 its perceived levels of risk, future economic conditions, including inflation and changes in real estate values, that differ from or are more severe than forecast, inaccurate models or assumptions, or external factors such as global pandemics, natural disasters, or geopolitical events, 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 Morgan Stanley despite its (i) credit monitoring; (ii) overcollateralization; (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's 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.

   In addition, as a clearing member of several central counterparties, Morgan Stanley is responsible for the defaults or misconduct of Morgan Stanley's 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. The paragraph under the section titled "*A default by a large financial institution could adversely affect financial markets*" at page 20 of the Base Prospectus shall be deleted in its entirety and the following substituted therefor:

   "The commercial soundness of many financial institutions and certain other large financial services firms may be closely interrelated as a result of credit, trading, clearing or other relationships among such entities. Increased centralization of trading activities through particular clearing houses, central agents or exchanges may increase Morgan Stanley's concentration of risk with respect to these entities. As a result, concerns about, or a default or threatened default by, one or more such entities could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing houses, clearing agencies, exchanges, banks and securities firms, with which Morgan Stanley interacts on a daily basis and, therefore, could adversely affect Morgan Stanley."

7. Each paragraph under the section titled "*Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations*" at pages 20 to 21 of the Base Prospectus shall be deleted in its entirety and the following substituted therefor:

“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 or its inability to access the secured lending markets, its inability to attract and retain deposits, 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, or 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 a discount to market value, either of which could adversely affect Morgan Stanley's results of operations, cash flows and financial condition.”

8. Each paragraph under the section titled “*Morgan Stanley is a holding company and depends on payments from its subsidiaries*” at pages 21 to 22 of the Base Prospectus shall be deleted in its entirety and the following substituted therefor:

“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 organisation rules that, in certain circumstances, limit, as well as permit regulatory bodies to block or reduce the flow of funds to Morgan Stanley, or that prohibit such transfers or dividends altogether, including steps to "ring fence" entities by regulators outside of 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 bank holding company, Morgan Stanley may become subject to a prohibition or to limitations on its ability to pay dividends. The Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), the Office of the Comptroller of the Currency ("**OCC**") and the Federal Deposit Insurance Corporation ("**FDIC**") have the authority, and under certain circumstances the duty, to prohibit or to limit the payment of dividends by the banking organisations they supervise, including Morgan Stanley and its U.S. Bank Subsidiaries.

If any of the above specified risks materialises, it may have a negative effect on Morgan Stanley’s financial situation which in turn could result in Morgan Stanley failing to meet its payment obligations to the Holders of the Notes.”

9. The eight paragraphs under the section titled “*Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of its operations or security systems or those of Morgan Stanley's third parties (or third parties thereof) as well as human error or malfeasance, which could adversely affect its businesses or reputation*” at pages 22 to 24 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

“Morgan Stanley's businesses are highly dependent on its 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, or integration of processes or systems of acquired companies, resulting in new operational risk 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, Morgan Stanley's consultants, its 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's systems to operate at an unacceptably slow speed of 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 its self-directed brokerage platform) could harm Morgan Stanley's business and its 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 unauthorised action by third parties, including consultants and subcontractors or Morgan Stanley's 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 its businesses and the communities where Morgan Stanley is 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; its 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 Morgan Stanley 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 Morgan Stanley’s controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation or input errors, inadvertent or duplicate payments, 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."

10. The three paragraphs under the section titled "*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*" at pages 26 to 27 and of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

"Central banks around the world, including the Federal Reserve, have sponsored initiatives in recent years to replace LIBOR and replace or reform certain other interest rate benchmarks (collectively, the "IBORs"). A transition away from use of the IBORS to alternative rates and other potential interest rate benchmark reforms is underway and is a multi-year initiative. 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, any 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.

11. The four paragraphs under the section titled "*The financial services industry is subject to extensive regulation, and changes in regulation will impact Morgan Stanley's business*" at pages 27 to 28 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

"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, including an increasing number of complex sanctions regimes. These laws and regulations, which continue to increase in volume and complexity, significantly affect the ways and costs of doing 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 wide-ranging regulation and supervision, which, among other things, subject Morgan Stanley to 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, requirements for maintaining minimum amounts of total loss-absorbing capacity ("**TLAC**") and external longterm debt, restrictions on activities and investments imposed by a section of the Bank Holding Company Act of 1956, as amended (the "**BHC Act**") added by the Dodd-Frank Act referred to as 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 Morgan Stanley's efforts to comply with, and/or changes to laws and regulations, including changes in the breadth, application or enforcement of, laws and regulations, could materially impact the profitability of Morgan Stanley's businesses and the value of assets it holds, expose it to additional theories of liability and additional costs, require changes to business practices or force it to discontinue businesses, adversely affect its ability to pay dividends and repurchase its stock, or require it to raise capital, including in ways that may adversely impact its 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 it. Legal and regulatory requirements continue to be subject to ongoing interpretation and 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."

12. The eight paragraphs under the section titled "*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's security holders, and subject Morgan Stanley to other restrictions*" at pages 28 to 29 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

"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 Morgan Stanley's resolution plan submission was not credible or would not facilitate an orderly resolution, and if Morgan Stanley was unsuccessful in addressing 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 instead of being resolved under the U.S. Bankruptcy Code. 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 a single point of entry ("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 such entities, pursuant to which it would provide such capital and liquidity to such entities.

In addition, a wholly owned, direct subsidiary, 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, Morgan Stanley 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 Morgan Stanley and certain other assets) to the Funding IHC. The Funding IHC would be obligated to provide capital and liquidity, as applicable, to certain supported subsidiaries, pursuant to the terms of the secured amended and restated support agreement.

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 Morgan Stanley (other than shares in subsidiaries of Morgan Stanley and certain other assets) and the assets of the Funding IHC, as applicable. As a result, claims of certain supported Morgan Stanley subsidiaries, 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 supported subsidiaries pursuant to the secured amended and restated support agreement, will not result in greater losses for holders of Morgan Stanley's securities compared with a different resolution strategy for the firm.

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 bank holding companies of U.S. global systemically important banks, including Morgan Stanley, to maintain adequate TLAC, including equity and eligible long-term debt, 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's supported subsidiaries without requiring taxpayer or government financial support.

In addition, certain jurisdictions, including the United Kingdom and European Union jurisdictions, have implemented, or are in the process of implementing, changes to resolution regimes to provide resolution authorities with the ability to recapitalise a failing entity organised 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 recapitalisation of a failing institution by allocating losses to its shareholders and unsecured creditors. This may increase the overall level of capital and liquidity required by Morgan Stanley on a consolidated basis and may result in limitations on Morgan Stanley’s ability to efficiently distribute capital and liquidity among its affiliated entities, including in times of stress. 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.”

13. The five paragraphs under the secti*on titled "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*" at pages 32 to 33 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

"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 nationalisation, expropriation, price controls, capital controls, exchange controls, increased taxes and levies, cybersecurity, 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, including tensions between China and the U.S. In many countries, the laws and regulations applicable to the securities and financial services industries are uncertain, evolving and subject to sudden change or may be inconsistent with U.S. law. It may also 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.

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 and its variants, or other widespread health emergencies, natural disasters, climate- related incidents, terrorist activities or military actions, such as the war between Russia and Ukraine, 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's business 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 programmes administered by the U.S. Treasury's Office of Foreign Assets Control and similar multinational bodies and governmental agencies worldwide, which may be inconsistent with local law. Morgan Stanley is also subject to applicable AML and anti-corruption laws in the U.S., as well as in the jurisdictions in which Morgan Stanley operates, including the Bank Secrecy Act, the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act. A violation of a sanction, embargo programme, AML, or anti-corruption law could subject Morgan Stanley, and individual employees, to a regulatory enforcement action as well as significant civil and criminal penalties."

14. The six paragraphs under the section titled "*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*" at pages 33 to 34 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

"In connection with past or future acquisitions, divestitures, joint ventures, partnerships, minority stakes or strategic alliances (including with Mitsubishi UFJ Financial Group, Inc.), Morgan Stanley faces numerous risks and uncertainties in combining, transferring, separating or integrating the relevant businesses and systems that may present operational and other risks, including the need to combine or separate accounting, data processing and other systems, management controls and legal entities 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.

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 and 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 partnerships respectively.

For example, Morgan Stanley’s integrations of E*TRADE and Eaton Vance involve a number of risks, including failure to realise 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 longer than originally anticipated.

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 its past and future acquisitions or dispositions, including aligning the processes, policies and procedures of the acquired entities with its standards, there is a risk that its 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 Morgan Stanley's 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 it 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.”

15. The title and five paragraphs under to the section titled “*Climate change manifesting as physical or transition risks could adversely affect Morgan Stanley’s operations, businesses and clients*” at pages 34 to 35 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

*“**Climate change manifesting as physical or transition risks could result in increased costs and risks and adversely affect Morgan Stanley’s operations, businesses and clients**.*

There continues to be increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include harm to people and property arising from acute, climate-related events, such as floods, hurricanes, heatwaves, wildfires, and chronic, longer-term shifts in climate patterns, such as higher global average temperatures, rising sea levels, and droughts. Such events could disrupt Morgan Stanley's operations or those of its clients or third parties on which Morgan Stanley rely, including through direct damage to physical assets and indirect impacts from supply chain disruption and market volatility. Over the longer term, these events could impact the ability of certain of Morgan Stanley’s clients or customers to repay their obligations, reduce the value of collateral, limit insurance coverage and result in other effects.

Additionally, transitioning to a low-carbon economy will likely require extensive policy, legal, technology and market changes. Transition risks, including changes in consumer and business sentiment, related technologies, shareholder preferences and additional regulatory and legislative requirements, including carbon taxes, could increase Morgan Stanley's expenses and adversely impact its strategies, including by limiting Morgan Stanley’s ability to pursue certain business activities or offer certain products and services. Over the longer term, negative impacts to certain of Morgan Stanley’s clients, such as decreased profitability and stranded assets, could also lead to increased credit and counterparty risk to Morgan Stanley.

In addition, Morgan Stanley's reputation and client relationships may be adversely impacted as a result of Morgan Stanley's practices related to climate change, including its involvement, or their 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. Legislation or risks, including inconsistent perspectives or requirements, are likely to result in higher regulatory, compliance, credit, reputational and other risks and costs.

Morgan Stanley’s ability to achieve its long-term climate-related goals and commitments could also result in reputational harm as a result of public sentiment, regulatory scrutiny, litigation and reduced investor and stakeholder confidence. If Morgan Stanley is unable to achieve its objectives relating to climate change or its current response to climate change is perceived to be ineffective or insufficient, Morgan Stanley’s business and reputation may suffer.

The risks associated with, and the perspective of regulators, governments, shareholders, employees and other stakeholders regarding, climate change are continuing to evolve rapidly, which can make it difficult to assess the ultimate impact on Morgan Stanley of climate change-related risks and uncertainties. As climate risk is interconnected with other risk types, including geopolitical risks, Morgan Stanley has developed and continue to enhance processes to embed climate risk considerations into its risk management strategies for risks such as market, credit and operational risks, as well as its governance structures. Despite Morgan Stanley’s risk management strategies, the unpredictability surrounding the timing and severity of climate change events and societal or political changes in reaction to them make it difficult to predict, identify, monitor and effectively mitigate climate risk exposure.

In addition, the methodologies and data used to manage and monitor climate risk are still in early stages and continue to evolve. Current approaches utilize information and estimates that have been derived from information or factors released by third-party sources, which may not reflect the latest or most accurate data. Climate-related data, particularly greenhouse gas emissions for clients and counterparties, remains limited in availability and variable in quality. Certain third-party information may also change over time as methodologies evolve and are refined. While Morgan Stanley believes this information is the best available at the time, Morgan Stanley may only be able to complete limited validation. Furthermore, modelling capabilities and methodologies to analyze climate-related risks, although improving, remain nascent and emerging. 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.”

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

1. The first paragraph immediately preceding the sub-section entitled "*Business Segments*" on page 766 of the Base Prospectus shall be deemed to be deleted in its entirety 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 2022. References to the "Parent Company", "we" and "our" are references to Morgan Stanley."

2. The twenty-four paragraphs underneath the title "*Supervision and Regulation*" on pages 767 to 770 of the Base Prospectus shall be deemed to be deleted in their 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 it operates, 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 its 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. For additional information on the Volcker Volcker Rule covered fund restrictions, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Regulatory Developments and Other Matters—Covered Fund Restrictions under the Volcker Rule.

   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 Morgan Stanley's 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").

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 Morgan Stanley's 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 its U.S. Bank Subsidiaries under circumstances that it 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 Morgan Stanley, 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.

Under the Dodd-Frank Act, the Federal Reserve is required to adopt rules that would create a new early remediation framework to address financial distress or material management weaknesses. The Federal Reserve proposed such rules in 2012, but to date has not finalized these proposed rules. 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 its material financial distress or failure. Interim updates are required in certain limited circumstances, including material mergers or acquisitions or fundamental changes to its 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 its failure and to appoint new directors and officers; the power to assign its 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 its 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."

3. The six paragraphs under the title "*Cyber and Information Security Risk Management and Protection of Client Information*" on pages 770 to 771 of the Base Prospectus shall be deemed to be deleted in their entirety and the following substituted therefor:

"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 requirements 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 with regard to clients, employees and others. 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.

Numerous jurisdictions have passed laws, rules and regulations in these areas and many are considering new or updated ones that could impact our businesses, particularly as the application, interpretation and enforcement of these laws, rules and regulations are often uncertain and evolving. 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."

4. The paragraph beginning "*Regulation of Futures Activities and Certain Commodities Activities*" and the three paragraphs immediately following such paragraph on page 772 of the Base Prospectus shall be deemed to be deleted in their entirety and the following substituted therefor:

   "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 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 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 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."

5. The paragraph underneath the title "*U.S. Consumer Protection*" on pages 772 to 773 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "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 Gramm-Leach-Bliley Act's privacy provisions, 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."

6. The paragraph underneath the title "*Non-U.S. Regulation*" on page 773 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "All of our businesses are regulated extensively by non-U.S. regulators, including governments, central banks and regulatory bodies, securities exchanges, commodity exchanges, and 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, asset seizures and forfeitures, the issuance of cease-and-desist orders, or the suspension or expulsion of 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."

7. The three paragraphs underneath the title "*Financial Crimes Program*" on page 773 of the Base Prospectus shall be deemed to be deleted in their entirety and the following substituted therefor:

   "Our Financial Crimes program is coordinated and implemented on an enterprise-wide basis and supports our financial crime prevention efforts across all regions and business units, with responsibility for governance and oversight, as well as execution of our anti-money laundering ("AML"), economic sanctions ("Sanctions"), anti-boycott, 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, imposes 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 develop and 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 of 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. government, including the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") and the U.S. Department of State, and similar sanctions programs imposed by foreign governments or global or regional multilateral organizations. In addition, we are subject to anti-corruption 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."

8. Sub-paragraph (a) of the sub-section titled "*7. Legal Proceedings and Contingencies*" set out on page 788 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 118-119 and the section entitled "*Legal Proceedings*" on pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2022;"

9. The paragraph underneath the title "*Auditors*" of the sub-section titled "*8. Additional Information*" set out on page 788 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

   "The consolidated financial statements of Morgan Stanley and subsidiaries as of 31 December 2021 and 31 December 2022 and each of the three years in the period ended 31 December 2022, and the effectiveness of internal control over financial reporting as of 31 December 2022, which are incorporated in this Base Prospectus, 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 2023."

10. The final sub-paragraph of the paragraph headed "*Trend Information*" of the sub-section titled "*8. Additional Information*" set out on page 788 to 789 of the Base Prospectus shall be deemed to be deleted in its entirety and the following substituted therefor:

    "There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2022."

11. The paragraph underneath the title "*Significant Change*" of the sub-section titled "*8. Additional Information*" set out on page 789 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 2022 the date of the latest published audited financial statements of Morgan Stanley."

12. The two paragraphs underneath the title "*Share Capital*" of the sub-section titled "*8. Additional Information*" set out on page 789 of the Base Prospectus shall be deleted in their entirety and the following substituted therefor:

    "The authorised share capital of Morgan Stanley at 31 December 2022 comprised 3,500,000,000 ordinary shares of nominal value U.S. $0.01 and $8,750,000,000 preferred stock of nominal value $0.01.

    The issued, non-assessable and fully paid-up share capital of Morgan Stanley at 31 December 2022 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 and Contingencies*” set out on pages 795 to 796 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 118-119 and the section entitled “*Legal Proceedings*” on pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2022;”

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 829 to 830 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 2022, Morgan Stanley's Current Reports on Form 8-K dated 19 January 2022, 14 April 2022, 14 July 2022, 14 October 2022 and 17 January 2023, and Morgan Stanley's Proxy Statement dated 8 April 2022;"