

FIRST SUPPLEMENTAL OFFERING CIRCULAR

Morgan Stanley

as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)

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 B, Warrants and Certificates

Morgan Stanley (“**Morgan Stanley**”) and Morgan Stanley Finance LLC, a wholly-owned finance subsidiary of Morgan Stanley (“**MSFL**”, together with Morgan Stanley, the “**Issuers**”), and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this first supplemental offering circular (the “**First Supplemental Offering Circular**”) to supplement and be read in conjunction with the offering circular for non-principal protected securities dated 28 June 2019 (the “**Offering Circular**”) published in relation to the Issuers’ Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This First Supplemental Offering Circular has been approved by:

- (i) The Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) as supplementary listing particulars, pursuant to the listing and admission to trading rules of Euronext Dublin, for the purpose of providing information with regard to the Issuers and the Guarantor for the purposes of admitting Program Securities to the Official List of Euronext Dublin and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of Euronext Dublin and is not a regulated market for the purposes of Directive 2014/65/EU; and
- (ii) the Luxembourg Stock Exchange pursuant to the appendices to the Rules and Regulations of the Luxembourg Stock Exchange, to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to the Official List of the Luxembourg Stock Exchange, for the purpose of providing information with regard to the Issuers and the Guarantor. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of Directive 2014/65/EU.

Warning: This First Supplemental Offering Circular does not constitute a “supplement” for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), and this First Supplemental Offering Circular and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Regulation for any Program Securities to be offered and sold under the Offering Circular. The Offering Circular and this First Supplemental Offering Circular have not been approved or reviewed by any regulator which is a competent authority under the Prospectus Regulation in the European Economic Area (the “**EEA**”).

Unless otherwise defined in this First Supplemental Offering Circular, terms defined in the Offering Circular shall have the same meaning when used in this First Supplemental Offering Circular. To the extent that there is any inconsistency between any statement in this First Supplemental Offering Circular and any other statement in, or incorporated by reference in to, the Offering Circular, the statements in this First Supplemental Offering Circular will prevail.

The purpose of this First Supplemental Offering Circular is to:

- (a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2019 (the “**Morgan Stanley June 2019 10-Q**”) and incorporate by reference, as set out in “Part A” of this First Supplemental Offering Circular;
- (b) make certain consequential amendments to the Offering Circular pursuant to the publication of the Morgan Stanley June 2019 10-Q as set out in “Part B” of this First Supplemental Offering Circular; and

- (c) make certain amendments to the Offering Circular in the *Terms and Conditions of the Notes* as set out in “Part C” of this First Supplemental Offering Circular.

Each of the Issuers and the Guarantor, as applicable, confirm the following:

Save as disclosed in this First Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen since the publication of the Offering Circular.

The 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 the Offering Circular and this First Supplemental Offering Circular; and (ii) MSFL with regard to the Offering Circular and this First Supplemental Offering Circular with the exception of Part A and Part B hereto.

Any information or documents incorporated by reference into the Morgan Stanley June 2019 10-Q does not form part of this First Supplemental Offering Circular and any information or documents which are not incorporated by reference are either not relevant for the investor or covered in another part of this First Supplemental Offering Circular.

This First Supplemental Offering Circular and the Morgan Stanley June 2019 10-Q are available for viewing and copies may be obtained from the offices of the Issuers and the Paying Agents.

This First Supplemental Offering Circular is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents> and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley June 2019 10-Q is available on Morgan Stanley's website at <http://www.morganstanley.com/about-us-ir> and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

30 August 2019

MORGAN STANLEY

MORGAN STANLEY FINANCE LLC

PART A - INCORPORATION BY REFERENCE

This First Supplemental Offering Circular incorporates by reference the Morgan Stanley June 2019 10-Q and supplements the section entitled “*Incorporation by Reference*” contained on pages 32-36 of the Offering Circular.

This First Supplemental Offering Circular is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents> and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley June 2019 10-Q is available on Morgan Stanley's website at <http://www.morganstanley.com/about-us-ir> and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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 32-36 of the Offering Circular.

The following documents and/or information shall be deemed to be incorporated by reference in, and to form part of, the Offering Circular:

| Document filed | Information incorporated by reference | Page(s) |
|---|---|----------------|
| Morgan Stanley | | |
| Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2019 | (1) Management's Discussion and Analysis of Financial Condition and Results of Operations | 1-29 |
| | (2) Quantitative and Qualitative Disclosures about Risk | 30-38 |
| | (3) Report of Independent Registered Public Accounting Firm | 39 |
| | (4) Consolidated Financial Statements and Notes | 40-82 |
| | (5) Consolidated Income Statements (Unaudited) | 40 |
| | (6) Consolidated Comprehensive Income Statements (Unaudited) | 41 |
| | (7) Consolidated Balance Sheets (Unaudited at June 30, 2019) | 42 |
| | (8) Consolidated Statements of Changes in Total Equity (Unaudited) | 43 |
| | (9) Consolidated Cash Flow Statements (Unaudited) | 44 |
| | (10) Notes to Consolidated Financial Statements (Unaudited) | 45-82 |
| | (11) Financial Data Supplement (Unaudited) | 83-84 |
| | (12) Glossary of Common Acronyms | 85-86 |
| | (13) Other Information | 87 |
| | (14) Legal Proceedings | 87 |
| | (15) Unregistered Sales of Equity Securities and Use of Proceeds | 88 |

| | |
|------------------------------|-----|
| (16) Controls and Procedures | 89 |
| (17) Signatures | S-1 |

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular.

This First Supplemental Offering Circular expressly does not incorporate by reference information identified in the cross-reference table below and supplements the section entitled “*Incorporation by Reference*” contained on pages 32-36 of the Offering Circular:

Document incorporated by reference

Information not incorporated by reference

Morgan Stanley

Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2019

Exhibits
Exhibit Index

PART B – OTHER CONSEQUENTIAL AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

- The section entitled “*Selected financial information of Morgan Stanley*” on pages 1-2 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected financial information of Morgan Stanley:

| Consolidated Balance Sheets (U.S.\$ in millions) | At 31 December 2017 | At 31 December 2018 | At 30 June (unaudited) | |
|---|------------------------|------------------------|------------------------|---------|
| | | | 2018 | 2019 |
| <i>Total assets</i> | 851,733 | 853,531 | 875,875 | 891,959 |
| <i>Total liabilities and equity</i> | 851,733 | 853,531 | 875,875 | 891,959 |

| Consolidated Income Statements (U.S.\$ in millions) | 2017 | 2018 | Six months ended 30 June (unaudited) | |
|--|--------|--------|--------------------------------------|--------|
| | | | 2018 | 2019 |
| <i>Net revenues</i> | 37,945 | 40,107 | 21,687 | 20,530 |
| <i>Income from continuing operations before income taxes</i> | 10,403 | 11,237 | 6,529 | 5,858 |
| <i>Net income</i> | 6,216 | 8,883 | 5,171 | 4,714 |

- On page 414 of the Offering Circular, paragraph 2(a) under the heading “*No significant change in the financial or trading position*” shall be deemed to be deleted in its entirety and replaced by the following:

“(a) *Morgan Stanley, since 30 June 2019, the date of the latest published interim (unaudited) financial statements of Morgan Stanley; and*”

- The first paragraph in the subsection titled “*Legal and arbitration proceedings*” set out on page 414 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

“*Legal and arbitration proceedings*”

Save as disclosed in:

(a) *the section entitled “Legal Proceedings” at pages 169-173 and in the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements” at pages 131-133 of Morgan Stanley’s Annual Report on Form 10-K for the year ended 31 December 2018 (the “Form 10-K”);*

(b) *the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Leases, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements*

(Unaudited)” at pages 60-62 and the section entitled “Legal Proceedings” at page 75 of Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2019;

(c) the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Leases, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements (Unaudited)” at pages 69-71 and the section entitled “Legal Proceedings” at page 87 of Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2019; and

(d) the Registration Document dated 7 June 2019,

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley is aware) during the 12-month period before the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley or the Morgan Stanley Group.”

PART C – FURTHER AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

1. The definition of “*ISDA Definitions*” in Condition 2.1 (*Definitions*) within the sub-section entitled “*Interpretation*” under the section entitled “*Terms and Conditions of the Notes*” on page 53 of the Offering Circular shall be deemed to be deleted in its entirety and replaced by the following:

““*ISDA Definitions*” means:

- (i) *for the purposes of the definitions of “ISDA Fallback Adjustment” and “ISDA Fallback Rate” only, the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time; or*
- (ii) *for all other purposes, the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.;*”