

MORGAN STANLEY
Form 424B2
November 29, 2018

CALCULATION OF REGISTRATION FEE

<i>Title of Each Class of Securities Offered</i>	<i>Maximum Aggregate Offering Price</i>	<i>Amount of Registration Fee</i>
Contingent Income Auto-Callable Securities due 2033	\$500,000	\$60.60

November 2018

Pricing Supplement No. 1,140

Registration Statement Nos. 333-221595; 333-221595-01

Dated November 27, 2018

Filed pursuant to Rule 424(b)(2)

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. and International Equities

Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Fully and Unconditionally Guaranteed by Morgan Stanley

Principal at Risk Securities

The securities are unsecured obligations of Morgan Stanley Finance LLC (“MSFL”) and are fully and unconditionally guaranteed by Morgan Stanley. The securities have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented or modified by this document. The securities do not guarantee the repayment of principal and do not provide for the regular payment of interest after the first four years. For the first four years, the securities will pay a fixed quarterly coupon at the rate specified below. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** of the S&P 500[®] Index, EURO STOXX 50[®] Index and Russell 2000[®] Index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any** underlying index is **less than** its **initial index value** on any observation date after the first four years, we will pay no interest for the related quarterly period. However, if the index closing value of each underlying index is **greater than or equal to** its respective **initial index value** on an observation date after the first

four years, investors will receive, in addition to the contingent quarterly coupon for that quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. In addition, starting five and a half years after the original issue date, the securities will be automatically redeemed if the index closing value of **each** underlying index is **greater than or equal to** its respective initial index value on any quarterly redemption determination date, for the early redemption payment equal to the sum of the stated principal amount plus the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid). At maturity, if the securities have not previously been redeemed and the final index value of **each** underlying index is **greater than or equal to** the downside threshold level of 50% of the respective **initial index value**, the payment at maturity will be the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the related contingent quarterly coupon and the previously unpaid contingent quarterly coupons. If, however, the final index value of **any** underlying index is **less than** its downside threshold level, investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis and will receive a payment at maturity that is **less than 50%** of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any quarterly coupons after the first four years.** Because all payments on the securities are based on the worst performing of the underlying indices, a decline beyond the respective initial index value or respective downside threshold level, as applicable, of any underlying index will result in few or no contingent coupon payments or a significant loss of your investment, even if the other underlying indices have appreciated or have not declined as much. Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period. These long-dated securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly coupons after the first four years, with no possibility of being called out of the securities until after the initial 5.5-year non-call period. Investors will not participate in any appreciation of any underlying index. The securities are notes issued as part of MSFL's Series A Global Medium-Term Notes program.

All payments are subject to our credit risk. If we default on our obligations, you could lose some or all of your investment. These securities are not secured obligations and you will not have any security interest in, or otherwise have any access to, any underlying reference asset or assets.

FINAL TERMS

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley
Underlying indices:	S&P 500 [®] Index (the "SPX Index"), EURO STOXX 50 Index (the "SX5E Index") and Russell 2000 Index (the "RTY Index")
Aggregate principal amount:	\$500,000
Stated principal amount:	\$1,000 per security
Issue price:	\$1,000 per security (see "Commissions and issue price" below)
Pricing date:	November 27, 2018
Original issue date:	November 30, 2018 (3 business days after the pricing date)
Maturity date:	December 1, 2033
Quarterly coupon:	Years 1-4: On each coupon payment date through December 2022, a fixed coupon at an annual rate of 8.00% (corresponding to approximately \$20.00 per quarter per security) is paid quarterly.

Years 5-15: Beginning with the March 2023 coupon payment date, a *contingent* coupon plus any previously unpaid contingent quarterly coupons with respect to any prior observation dates will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective initial index value on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 8.00% *per annum* for each interest payment period for each applicable observation date.

If the contingent quarterly coupon is not paid on any coupon payment date after the first four years (because the index closing value of any underlying index is less than its respective initial index value on the related observation date), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the index closing value of each underlying index on such later observation date is greater than or equal to its respective initial index value; *provided, however,* in the case of any such payment of a previously unpaid contingent quarterly coupon, no additional interest shall accrue or be payable in respect of such unpaid contingent quarterly coupon from and after the end of the original interest period for such unpaid contingent quarterly coupon. You will not receive such unpaid contingent quarterly coupons if the index closing value of any underlying index is less than its respective initial index value on each subsequent observation date. If the index closing value of any underlying index is less than its respective initial index value on each observation date, you will not receive any quarterly coupons after the first four years.

Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period.

Payment at maturity:

If the securities have not been automatically redeemed prior to maturity, that will necessarily mean that the index closing value of at least one underlying index was below its initial index value on every quarterly observation date during the

last nine and a half years of the term of the securities, and therefore no contingent quarterly coupon payments will have been made in the last nine and a half years of the term of the securities. In such a case, the payment at maturity will be determined as follows:

If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates.

If the final index value of **any** underlying index is **less than** its respective downside threshold level, investors will receive (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

Terms continued on the following page

Morgan Stanley & Co. LLC (“MS & Co.”), an affiliate of MSFL and a wholly owned subsidiary of Morgan Stanley. See “Supplemental information regarding plan of distribution; conflicts of interest.”

Agent:

\$913.90 per security. See “Investment Summary” beginning on page 4.

Estimated value on the pricing date:

Commissions and issue price:	Price to public⁽¹⁾	Agent’s commissions⁽²⁾	Proceeds to us⁽³⁾
Per security	\$1,000	\$35	\$965
Total	\$500,000	\$17,500	\$482,500

(1) *The price to public for investors purchasing the securities in fee-based advisory accounts will be \$970 per security.*

Selected dealers and their financial advisors will collectively receive from the agent, Morgan Stanley & Co. LLC., a fixed sales commission of \$35 for each security they sell; provided that dealers selling to investors purchasing

(2) *the securities in fee-based advisory accounts will receive a sales commission of \$5 per security. See “Supplemental information regarding plan of distribution; conflicts of interest.” For additional information, see “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement.*

(3) *See “Use of proceeds and hedging” on page 32.*

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 15.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying product supplement, index supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality, nor are they obligations of, or guaranteed by, a bank.

You should read this document together with the related product supplement, index supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see “Additional Information About the Securities” at the end of this document.

As used in this document, “we,” “us” and “our” refer to Morgan Stanley or MSFL, or Morgan Stanley and MSFL collectively, as the context requires.

Product Supplement for Auto-Callable Securities dated November 16, 2017 Index Supplement dated November 16, 2017 Prospectus dated November 16, 2017

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Terms continued from previous page:

The securities are not subject to automatic early redemption until five and a half years after the original issue date. Following the initial 5.5-year non-call period, if, on any redemption determination date, beginning on May 28, 2024, the index closing value of **each** underlying index is **greater than or equal to** its respective initial index value, the securities will be automatically redeemed for an early redemption payment on the related early redemption date. No further payments will be made on the securities once they have been redeemed.

Early redemption:

The securities will not be redeemed early on any early redemption date if the index closing value of any underlying index is below the respective initial index value for such underlying index on the related redemption determination date.

Early redemption payment: The early redemption payment will be an amount equal to (i) the stated principal amount for each security you hold *plus* (ii) the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

Redemption determination dates: Quarterly, beginning on May 28, 2024, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below, subject to postponement for non-index business days and certain market disruption events.

Early redemption dates: Quarterly, beginning on May 31, 2024, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below. If any such day is not a business day, that early redemption payment will be made on the next succeeding business day and no adjustment will be made to any early redemption payment made on that succeeding business day

With respect to the SPX Index: 1,341.085, which is 50% of its initial index value

Downside threshold level: With respect to the SX5E Index: 1,583.21, which is 50% of its initial index value

With respect to the RTY Index: 746.428, which is approximately 50% of its initial index value

With respect to the SPX Index: 2,682.17, which is its index closing value on the pricing date

Initial index value: With respect to the SX5E Index: 3,166.42, which is its index closing value on the pricing date

With respect to the RTY Index: 1,492.855, which is its index closing value on the pricing date

Final index value: With respect to each index, the respective index closing value on the final observation date

Worst performing underlying: The underlying index with the largest percentage decrease from the respective initial index value to the respective final index value

Index performance: Final index value *divided by* the initial index value

factor:

Quarterly, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below. If any such day is not a business day, that coupon payment will be made on the next succeeding business day and no adjustment will be made to any coupon payment made on that succeeding business day. The contingent quarterly coupon, if any, with respect to the final observation date will be paid on the maturity date

Coupon payment dates:

Quarterly, beginning on February 27, 2023, as set forth under “Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates” below, subject to postponement for non-index business days and certain market disruption events. We also refer to November 28, 2033 as the final observation date.

Observation dates:

CUSIP / ISIN:

61768DKB0 / US61768DKB00

Listing:

The securities will not be listed on any securities exchange.

Observation Dates, Redemption Determination Dates, Coupon Payment Dates and Early Redemption Dates

Observation Dates / Redemption Determination Dates	Coupon Payment Dates / Early Redemption Dates
N/A	March 4, 2019*
N/A	May 31, 2019*
N/A	August 30, 2019*
N/A	December 3, 2019*
N/A	March 3, 2020*
N/A	June 1, 2020*
N/A	September 1, 2020*
N/A	December 2, 2020*
N/A	March 4, 2021*
N/A	June 2, 2021*
N/A	September 1, 2021*
N/A	December 2, 2021*
N/A	March 3, 2022*
N/A	June 2, 2022*
N/A	September 1, 2022*
N/A	December 1, 2022*
February 27, 2023*	March 2, 2023*
May 30, 2023*	June 2, 2023*
August 28, 2023*	August 31, 2023*
November 27, 2023*	November 30, 2023*
February 27, 2024*	March 1, 2024*
May 28, 2024	May 31, 2024
August 27, 2024	August 30, 2024
November 27, 2024	December 3, 2024
February 27, 2025	March 4, 2025
May 27, 2025	May 30, 2025

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All Payments on the Securities Based on the Worst Performing of the S&P 500® Index, the EURO STOXX 50® Index and the Russell 2000® Index

Principal at Risk Securities

August 27, 2025	September 2, 2025
November 28, 2025	December 3, 2025
February 27, 2026	March 4, 2026
May 27, 2026	June 1, 2026
August 27, 2026	September 1, 2026
November 27, 2026	December 2, 2026
March 1, 2027	March 4, 2027
May 27, 2027	June 2, 2027
August 27, 2027	September 1, 2027
November 29, 2027	December 2, 2027
February 28, 2028	March 2, 2028
May 30, 2028	June 2, 2028
August 28, 2028	August 31, 2028
November 27, 2028	November 30, 2028
February 27, 2029	March 2, 2029
May 29, 2029	June 1, 2029
August 27, 2029	August 30, 2029
November 27, 2029	November 30, 2029
February 27, 2030	March 4, 2030
May 28, 2030	May 31, 2030
August 27, 2030	August 30, 2030
November 27, 2030	December 3, 2030
February 27, 2031	March 4, 2031
May 27, 2031	May 30, 2031
August 27, 2031	September 2, 2031
November 28, 2031	December 3, 2031
February 27, 2032	March 3, 2032
May 27, 2032	June 2, 2032
August 27, 2032	September 1, 2032
November 29, 2032	December 2, 2032
February 28, 2033	March 3, 2033
May 27, 2033	June 2, 2033
August 29, 2033	September 1, 2033
November 28, 2033 (final observation date)	December 1, 2033 (maturity date)

* The securities are not subject to automatic early redemption until the 22nd coupon payment date, which is May 31, 2024.

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Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Investment Summary

Contingent Income Auto-Callable Securities

Principal at Risk Securities

Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index (the “securities”) do not provide for the regular payment of interest after the first four years. For the first four years, the securities will pay a fixed quarterly coupon at the rate specified below. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** underlying index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any underlying index** is **less than** its **initial index value** on any observation date after the first four years, we will pay no interest for the related quarterly period. However, if the index closing value of each underlying index is **greater than or equal to** its respective **initial index value** on an observation date, investors will receive, in addition to the contingent quarterly coupon for that quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. You will not receive such unpaid contingent quarterly coupon if the index closing value of **any underlying index** is **less than** its respective **initial index value** on each subsequent observation date. If the index closing value of **any underlying index** is **less than** its respective **initial index value** on each observation date, you will not receive any contingent quarterly coupon after the first four years. We refer to the quarterly coupons after the first four years as contingent, because there is no guarantee that you will receive a coupon payment on any coupon payment date after the first four years. Even if each underlying index were to be at or above its respective initial index values on some quarterly observation dates after the first four years, one or more underlying indices may fluctuate below the respective initial index value(s) on others, and they may not each close at or above their respective initial index values on any subsequent observation date, in which case you will not receive payment of any previously unpaid contingent quarterly coupons. In addition, if the securities have not been automatically called prior to maturity and the final index value of **any underlying index** is **less than 50%** of the respective initial index value, which we refer to as the downside threshold level, investors will be fully exposed to the decline in the worst performing underlying index on a 1-to-1 basis, and will receive a payment at maturity that is less than 50% of the stated principal amount of the securities and could be zero. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment and also the risk of not receiving any contingent quarterly coupons after the first four years.**

Maturity: Approximately 15 years

Years 1-4: On each coupon payment date through December 2022, a fixed coupon at an annual rate of 8.00% (corresponding to approximately \$20.00 per quarter per security) is paid quarterly.

Years 5-15: Beginning with the March 2023 coupon payment date, a *contingent* coupon plus any previously unpaid contingent quarterly coupons with respect to any prior observation dates will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective initial index value on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 8.00% *per annum* for each interest payment period for each applicable observation date.

Quarterly coupon:

If the contingent quarterly coupon is not paid on any coupon payment date after the first four years (because the index closing value of any underlying index is less than its respective initial index value on the related observation date), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the index closing value of each underlying index on such later observation date is greater than or equal to its respective initial index value. You will not receive such unpaid contingent quarterly coupon if the index closing value of any underlying index is less than its respective initial index value on each subsequent observation date. If the index closing value of any underlying index is less than its respective initial index value on each observation date, you

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Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period

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Principal at Risk Securities

will not receive any quarterly coupon after the first four years.

Automatic early redemption starting after 5.5 years: Starting after 5.5 years, if the index closing value of **each** underlying index is **greater than or equal to** its initial index value on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid). No further payments will be made on the securities once they have been redeemed.

If the securities have not been automatically redeemed prior to maturity, that will necessarily mean that the index closing value of at least one underlying index was below its initial index value on every quarterly observation date during the last nine and a half years of the term of the securities, and therefore no contingent quarterly coupon payments will have been made in the last nine and a half years of the term of the securities. In such a case, the payment at maturity will be determined as follows:

Payment at maturity:

If the final index value of **each** underlying index is **greater than or equal to** the respective downside threshold level, investors will receive at maturity the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates.

If the final index value of **any underlying index** is **less than** its downside threshold level, investors will receive a payment at maturity equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero. No quarterly coupon will be payable at maturity, and investors will not receive payment of the previously unpaid contingent quarterly coupons. **Accordingly, investors in the securities must be willing to accept the risk of losing their entire initial investment.**

Morgan Stanley Finance LLC

Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

The original issue price of each security is \$1,000. This price includes costs associated with issuing, selling, structuring and hedging the securities, which are borne by you, and, consequently, the estimated value of the securities on the pricing date is less than \$1,000. We estimate that the value of each security on the pricing date is \$913.90.

What goes into the estimated value on the pricing date?

In valuing the securities on the pricing date, we take into account that the securities comprise both a debt component and a performance-based component linked to the underlying indices. The estimated value of the securities is determined using our own pricing and valuation models, market inputs and assumptions relating to the underlying indices, instruments based on the underlying indices, volatility and other factors including current and expected interest rates, as well as an interest rate related to our secondary market credit spread, which is the implied interest rate at which our conventional fixed rate debt trades in the secondary market.

What determines the economic terms of the securities?

In determining the economic terms of the securities, including the quarterly coupon rate and the downside threshold levels, we use an internal funding rate, which is likely to be lower than our secondary market credit spreads and therefore advantageous to us. If the issuing, selling, structuring and hedging costs borne by you were lower or if the internal funding rate were higher, one or more of the economic terms of the securities would be more favorable to you.

What is the relationship between the estimated value on the pricing date and the secondary market price of the securities?

The price at which MS & Co. purchases the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, may vary from, and be lower than, the estimated value on the pricing date, because the secondary market price takes into account our secondary market credit spread as well as the bid-offer spread that MS & Co. would charge in a secondary market transaction of this type and other factors. However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 18 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the

underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value. We expect that those higher values will also be reflected in your brokerage account statements.

MS & Co. may, but is not obligated to, make a market in the securities, and, if it once chooses to make a market, may cease doing so at any time.

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Contingent Income Auto-Callable Securities due December 1, 2033, With 5.5-year Initial Non-Call Period

All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Key Investment Rationale

The securities provide for fixed quarterly coupon payments at the rate specified herein for the first four years. Thereafter, the securities do not provide for the regular payment of interest and instead will pay a contingent quarterly coupon **but only if** the index closing value of each underlying index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any underlying index** is **less than** the respective **initial index value** on any observation date after the first four years, we will pay no interest for the related quarterly period. However, if the index closing value of **each** underlying index is **greater than or equal to** its respective **initial index value** on an observation date, investors will receive, in addition to the contingent quarterly coupon for that quarterly period, any previously unpaid contingent quarterly coupons from prior observation dates. The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no quarterly coupons after the first four years, with no possibility of being called out of the securities until after the initial 5.5-year non-call period. Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period.

The following scenarios are for illustrative purposes only to demonstrate how the coupon and the payment at maturity (if the securities have not previously been redeemed) are calculated, and do not attempt to demonstrate every situation that may occur. Accordingly, the securities may or may not be redeemed, the contingent coupon may be payable in none of, or some but not all of, the quarterly periods after the first four years and the payment at maturity may be less than 50% of the stated principal amount of the securities and may be zero.

Scenario 1: The Investors receive the 8.00% per annum fixed quarterly coupon for each interest period during the first securities are four years of the term of the securities. Investors receive the contingent quarterly coupon, redeemed prior corresponding to a return of 8.00% per annum, as well as any previously unpaid contingent quarterly to maturity coupons from prior observation dates, for the quarterly periods for which each index closing value is at or above the respective initial index value on the related observation date after the first four years of the term of the securities, but not for the quarterly periods for which any index closing value is below the respective initial index value on the related observation date.

Starting after 5.5 years, when each underlying index closes at or above its initial index value on a quarterly redemption determination date, the securities will be automatically redeemed for the stated

principal amount *plus* the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

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All Payments on the Securities Based on the Worst Performing of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index

Principal at Risk Securities

Investors receive the 8.00% per annum fixed quarterly coupon for each interest period during the first four years of the term of the securities. During the subsequent two and a half years, investors receive the contingent quarterly coupon, as well as any previously unpaid contingent quarterly coupons, for each quarterly period for which the index closing value of each underlying index is at or above the respective initial index value on the related observation date, but not for the quarterly periods for which the index closing value of any underlying index is below the respective initial index value on the related observation date.

Scenario 2: The securities are not redeemed prior to maturity, and investors receive principal back at maturity

This scenario assumes that each underlying index closes below the respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed prior to maturity. Because the securities were not automatically redeemed prior to maturity, the index closing value of at least one underlying index must have been below the respective initial index value on every quarterly observation date during the last nine and a half years of the term of the securities. Therefore, investors do not receive any coupon payments in the last nine and a half years of the term of the securities.

On the final observation date, each underlying index closes at or above its downside threshold level. At maturity, investors will receive the stated principal amount. If the final index value of each underlying index is also greater than or equal to its respective initial index value, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates. Note that in order for this to occur, the final index values of **each** underlying index would have to be greater than or equal to its respective **initial index value**, although the index closing value of at least one underlying index was below its initial index value on every prior quarterly observation date during the last nine and a half years of the term of the securities.

Scenario 3: The securities are not redeemed prior to maturity, and investors suffer a substantial loss of principal at maturity

Investors receive the 8.00% per annum fixed quarterly coupon for each interest period during the first four years of the term of the securities. During the last nine and a half years, investors receive the contingent quarterly coupon, as well as any previously unpaid contingent quarterly coupons, for each quarterly period for which the index closing value of each underlying index is at or above the respective initial index value on the related observation date, but not for the quarterly periods for which the index closing value of any underlying index is below the respective initial index value on the related observation date.

This scenario assumes that each underlying index closes below the respective initial index value on every quarterly redemption determination date. Consequently, the securities are not automatically redeemed prior to maturity. Because the securities were not automatically redeemed prior to maturity, the index closing value of at least one underlying index must have been below the respective initial index value on every quarterly observation date during the last nine and a half years of the term of the securities. Therefore, investors do not receive any coupon payments in the last nine and a half years of the term of the securities.

On the final observation date, one or more underlying indices close below the respective downside threshold level(s). At maturity, investors will receive an amount equal to the stated principal amount multiplied by the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount and could be zero. No coupon will be paid at maturity in this scenario. Additionally, investors will not receive the contingent quarterly coupon with respect to the final observation date, and will not receive payment of the previously unpaid contingent quarterly coupons from the prior observation dates.

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How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the index closing values on each quarterly observation date, (2) the index closing values on each quarterly redemption determination date (starting after 5.5 years) and (3) the final index values. Please see “Hypothetical Examples” beginning on page 10 for illustration of hypothetical payouts on the securities.

Diagram #1: Contingent Quarterly Coupons After the First Four Years (Beginning with the March 2023 Coupon Payment Date until Early Redemption or Maturity)

Diagram #2: Automatic Early Redemption (Starting after 5.5 Years)

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Diagram #3: Payment at Maturity if No Automatic Early Redemption Occurs

For more information about the payout upon an early redemption or at maturity in different hypothetical scenarios, see “Hypothetical Examples” starting on page 11.

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Hypothetical Examples

The following hypothetical examples illustrate how to determine whether a contingent quarterly coupon is paid with respect to an observation date and how to calculate the payment at maturity if the securities have not been automatically redeemed early. The following examples are for illustrative purposes only. For the first four years, you will receive a fixed quarterly coupon at a rate of 8.00% per annum, regardless of the performance of the underlying indices. Whether you receive a contingent quarterly coupon after the first four years will be determined by reference to the index closing value of each underlying index on each quarterly observation date, and the amount you will receive at maturity, if any, will be determined by reference to the final index value of each underlying index on the final observation date. The actual initial index value and downside threshold level for each underlying index are set forth on the cover of this document. All payments on the securities are subject to our credit risk. The numbers in the hypothetical examples below may have been rounded for the ease of analysis. The below examples are based on the following terms:

Years 1-4: On each coupon payment date through December 2022, a fixed coupon at an annual rate of 8.00% (corresponding to approximately \$20.00 per quarter per security*) is paid quarterly.

Quarterly Coupon: Years 5-15: Beginning with the March 2023 coupon payment date, a *contingent* coupon plus any previously unpaid contingent quarterly coupons with respect to any prior observation dates will be paid on the securities on each coupon payment date **but only if** the index closing value of **each** underlying index is at or above its respective initial index value on the related observation date. If payable, the contingent quarterly coupon will be an amount in cash per stated principal amount corresponding to a return of 8.00% *per annum* for each interest payment period for each observation date (corresponding to approximately \$20.00 per quarter per security*).

Automatic Early Redemption (starting after 5.5 years): If the index closing value of **each** underlying index is greater than or equal to its **initial index value** on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount *plus* the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

Payment at Maturity (if the securities have not been automatically redeemed early): If the final index value of **each** underlying index is **greater than or equal to** its respective downside threshold level, investors will receive the stated principal amount. If the final index value of **each** underlying index is also **greater than or equal to** its respective **initial index value**, investors will also receive the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the

prior observation dates.

If the final index value of **any underlying index** is **less than** its respective downside threshold level, investors will receive (i) the stated principal amount *multiplied by* (ii) the index performance factor of the worst performing underlying index. Under these circumstances, the payment at maturity will be less than 50% of the stated principal amount of the securities and could be zero.

Stated Principal
Amount:

\$1,000

With respect to the SPX Index: 2,000

Hypothetical Initial
Index Value:

With respect to the SX5E Index: 3,000

With respect to the RTY Index: 1,200

With respect to the SPX Index: 1,000, which is 50% of the hypothetical initial index value for such index

Hypothetical
Downside Threshold
Level:

With respect to the SX5E Index: 1,500, which is 50% of the hypothetical initial index value for such index

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With respect to the RTY Index: 600, which is 50% of the hypothetical initial index value for such index

* The actual quarterly coupon will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 basis. The hypothetical contingent quarterly coupon of \$20.00 is used in these examples for ease of analysis.

How to determine whether a contingent quarterly coupon is payable with respect to an observation date during years 5-15:

	Index Closing Value			Contingent Quarterly Coupon
	SPX Index	SX5E Index	RTY Index	
Hypothetical Observation Date 1	2,300 (at or above the initial index value)	3,800 (at or above the initial index value)	1,750 (at or above the initial index value)	\$20.00
Hypothetical Observation Date 2	1,100 (below the initial index value)	3,400 (at or above the initial index value)	1,400 (at or above the initial index value)	\$0
Hypothetical Observation Date 3	2,450 (at or above the initial index value)	3,300 (at or above the initial index value)	1,300 (at or above the initial index value)	Contingent quarterly coupon with respect to hypothetical observation date 3 and the previously unpaid contingent quarterly coupon with respect to hypothetical observation date 2 = \$20.00 + \$20.00 = \$40.00
Hypothetical Observation Date 4	1,100 (below the initial index value)	2,800 (below the initial index value)	800 (below the initial index value)	\$0

On hypothetical observation date 1, each underlying index closes at or above its respective initial index value. Therefore a contingent quarterly coupon of \$20.00 is paid on the relevant coupon payment date.

On hypothetical observation date 2, two underlying indices close at or above their initial index values, but the other underlying index closes below its initial index value. Therefore, no contingent quarterly coupon is paid on the relevant coupon payment date.

On hypothetical observation date 3, each underlying index closes at or above its respective initial index value. Therefore a contingent quarterly coupon of \$20.00 and the previously unpaid contingent quarterly coupon with respect to hypothetical observation date 2 are paid on the relevant coupon payment date.

On hypothetical observation date 4, each underlying index closes below its respective initial index value, and, accordingly, no contingent quarterly coupon is paid on the relevant coupon payment date.

If the contingent quarterly coupon is not paid on any coupon payment date (because the index closing value of any underlying index is less than its respective initial index value on the related observation date), such unpaid contingent quarterly coupon will be paid on a later coupon payment date but only if the index closing value of each underlying index on such later observation date is greater than or equal to its respective initial index value. You will not receive such unpaid contingent quarterly coupons if the index closing value of any underlying index is less than its respective initial index value on each subsequent observation date. If the index closing value of any underlying index is less than its respective initial index value on each observation date, you will not receive any quarterly coupons after the first four years.

How to calculate the payment at maturity (if the securities have not been automatically redeemed):

Starting in March 2024, if the index closing value of each underlying index is greater than or equal to its respective initial index value on any quarterly redemption determination date, the securities will be automatically redeemed for an early redemption

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payment equal to (i) the stated principal amount for each security you hold *plus* (ii) the related quarterly coupon (including any contingent quarterly coupon(s) with respect to any prior observation date(s) for which a contingent quarterly coupon was not paid).

The examples below illustrate how to calculate the payment at maturity if the securities have not been automatically redeemed prior to maturity. If no early redemption has taken place prior to the maturity date, that will necessarily mean that no contingent quarterly coupon payments will have been made in years 5.5 through 15 of the term of the securities.

	Final Index Value			Payment at Maturity
	SPX Index	SX5E Index	RTY Index	
Example 1:	2,500 (at or above the downside threshold level and the initial index value)	2,900 (at or above the downside threshold level but below the initial index value)	900 (at or above the downside threshold level but below the initial index value)	The stated principal amount
Example 2:	800 (below the downside threshold level)	2,500 (at or above the downside threshold level)	750 (at or above the downside threshold level)	\$1,000 x index performance factor of the worst performing underlying index = \$1,000 x (800 / 2,000) = \$400
Example 3:	1,260 (at or above the downside threshold level)	1,200 (below the downside threshold level)	650 (at or above the downside threshold level)	\$1,000 x (1,200 / 3,000) = \$400
Example 4:	800 (below the downside threshold level)	900 (below the downside threshold level)	480 (below the downside threshold level)	\$1,000 x (900 / 3,000) = \$300
Example 5:	400 (below the downside threshold level)	1,200 (below the downside threshold level)	480 (below the downside threshold level)	\$1,000 x (400 / 2,000) = \$200
Example 6:	2,500 (at or above the downside threshold level and the initial index value)	3,200 (at or above the downside threshold level and the initial index value)	1,300 (at or above the downside threshold level and the initial index value)	The stated principal amount + the contingent quarterly coupon with respect to the final observation date + the previously unpaid contingent quarterly coupons with respect to the prior observation dates. For more information, please see above under “How to determine whether a contingent quarterly coupon is payable with respect to an observation date.”

In example 1, the final index value of one underlying index is above its respective downside threshold level and initial index value, while the final index value of each of the other two underlying indices is above its respective downside threshold level but below its respective initial index value. Therefore, investors receive at maturity only the stated principal amount of the securities. Investors do not receive the contingent quarterly coupon for the final quarterly period, and do not receive the previously unpaid contingent quarterly coupons with respect to the prior observation dates. Therefore, in this example, investors do not receive contingent quarterly coupon payments for any quarterly period during, at a minimum, the last nine and a half years of the term of the securities.

In examples 2 and 3, the final index values of two underlying indices are at or above their respective downside threshold levels, but the final index value of the other underlying index is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity and receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. Moreover, investors do not receive the contingent quarterly coupon for the final quarterly period, and do not receive the previously unpaid contingent quarterly

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coupons with respect to the prior observation dates. Therefore, in this example, investors do not receive contingent quarterly coupon payments for any quarterly period during, at a minimum, the last nine and a half years of the term of the securities.

Similarly, in examples 4 and 5, the final index value of each underlying index is below its respective downside threshold level, and investors receive at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. In example 4, the SPX Index has declined 60% from its initial index value to its final index value, the SX5E Index has declined 70% from its initial index value to its final index value and the RTY Index has declined 60% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the SX5E Index, which is the worst performing underlying index in this example. In example 5, the SPX Index has declined 80% from its initial index value to its final index value, the SX5E Index has declined 60% from its initial index value and the RTY Index has declined 60% from its initial index value to its final index value. Therefore, the payment at maturity equals the stated principal amount *times* the index performance factor of the SPX Index, which is the worst performing underlying index in this example. Moreover, investors do not receive the contingent quarterly coupon for the final quarterly period, and do not receive the previously unpaid contingent quarterly coupons with respect to the prior observation dates. Therefore, in this example, investors do not receive contingent quarterly coupon payments for any quarterly period during, at a minimum, the last nine and a half years of the term of the securities.

In example 6, the final index values of the SPX Index, the SX5E Index and the RTY Index are at or above their respective downside threshold levels and initial index values. Therefore, investors receive at maturity the stated principal amount of the securities, and the contingent quarterly coupon with respect to the final observation date and the previously unpaid contingent quarterly coupons with respect to the prior observation dates. Note that in order for this to occur, the final index values of **each** underlying index would have to be greater than or equal to its respective **initial index value**, although the index closing value of at least one underlying index was below its initial index value on every quarterly observation date during the last nine and a half years of the term of the securities.

If the securities are not called prior to maturity and the final index value of ANY underlying index is below its respective downside threshold level, you will be exposed to the downside performance of the worst performing underlying index at maturity, and your payment at maturity will be less than \$500 per security and could be zero.

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Risk Factors

The following is a list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled “Risk Factors” in the accompanying product supplement, index supplement and prospectus. We also urge you to consult with your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

The securities do not guarantee the return of any principal. The terms of the securities differ from those of ordinary debt securities in that they do not guarantee the repayment of any principal. If the securities have not been automatically redeemed prior to maturity, and if the final index value of any underlying index is less than its downside threshold level of 50% of its initial index value, you will be exposed to the decline in the index closing value of the worst performing underlying index, as compared to its initial index value, on a 1-to-1 basis, and you will receive for each security that you hold at maturity an amount equal to the stated principal amount *times* the index performance factor of the worst performing underlying index. **In this case, the payment at maturity will be less than 50% of the stated principal amount and could be zero.**

After the first four years, the securities do not provide for the regular payment of interest. The terms of the securities differ from those of ordinary debt securities in that they do not provide for the regular payment of interest after the first four years. For the first four years, the securities will pay a fixed quarterly coupon at the rate specified herein. Thereafter, the securities will pay a contingent quarterly coupon **but only if** the index closing value of **each** underlying index is **at or above** its respective **initial index value** on the related observation date. If the index closing value of **any underlying index** is lower than its **initial index value** on the relevant observation date for any interest period after the first four years, we will pay no coupon on the applicable coupon payment date. However, if the contingent quarterly coupon is not paid on any coupon payment date because the index closing value of any underlying index is less than its respective **initial index value** on the related observation date, such unpaid contingent quarterly coupon will be paid on a later coupon payment date **but only if** the index closing value of each underlying index on such later observation date is greater than or equal to its respective **initial index value**. Therefore, you will not receive such unpaid contingent quarterly coupon if the index closing value of **any underlying index** is less than its respective **initial index value** on each subsequent observation date. **If the index closing value of any underlying index is less than its respective initial index value on each observation date, you will not receive any quarterly coupon during years 5 through 15 of the term of the securities.** If you do not earn sufficient contingent quarterly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity.

§ If the securities are not automatically redeemed prior to the maturity date, you will have received no contingent quarterly coupon payments, during, at a minimum, the last nine and a half years of the term of the

securities. Because the redemption determination dates will also be coupon observation dates, and because the threshold for both early redemption and the payment of coupons will be the initial index value of each underlying index, if the securities are not automatically redeemed following any redemption determination date, no contingent quarterly coupon will be payable with respect to that quarterly period. Therefore, if the securities are not automatically redeemed prior to, and remain outstanding until, the maturity date, that will necessarily mean that you will have received no contingent quarterly coupon payments during, at a minimum, the last nine and a half years of the term of the securities. Under these circumstances, your only possibility of receiving payments in respect of the missed coupon payments during those years will be if the index values of the underlying indices recover during the last three months of the term of the securities such that **each** final index value is greater than or equal to its respective **initial index value**. If this does not occur, you will have received no coupon payments for a minimum of 9.5 of the 15 years of the term of the securities.

You are exposed to the price risk of each underlying index, with respect to both the contingent quarterly coupons after the first four years, if any, and the payment at maturity, if any. Your return on the securities is not linked to a basket consisting of all of the underlying indices. Rather, it will be contingent upon the independent performance of each underlying index. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is mitigated and diversified among all the components of the basket, you will be exposed to the risks related to each underlying index. Poor performance by **any underlying index** during years 5 through 15 of the term of the

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securities will negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying indices. To receive **any** contingent quarterly coupons, **each** underlying index must close at or above its respective initial index value on the applicable observation date. In addition, if the securities have not been automatically redeemed early and **any underlying index** has declined to below its respective downside threshold level as of the final observation date, you will be **fully exposed** to the decline in the worst performing underlying index over the term of the securities on a 1-to-1 basis, even if the other underlying indices have appreciated or have not declined as much. Under this scenario, the value of any such payment will be less than 50% of the stated principal amount and could be zero. Accordingly, your investment is subject to the price risk of each underlying index.

Because the securities are linked to the performance of the worst performing underlying index, you are exposed to greater risks of receiving no contingent quarterly coupons and sustaining a significant loss on your investment than if the securities were linked to just one index. The risk that you will not receive any contingent quarterly coupons, or that you will suffer a significant loss on your investment, is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one underlying index. With three underlying indices, it is more likely that any underlying index will close below its initial index value on any observation date, or below its downside threshold level on the final observation date, than if the securities were linked to only one or two underlying indices. Therefore, it is more likely that you will not receive any contingent quarterly coupons, or any previously unpaid coupons, and that you will suffer a significant loss on your investment. In addition, because each underlying index must close above its initial index value on a quarterly determination date in order for the securities to be called prior to maturity, the securities are less likely to be called on any redemption determination date than if the securities were linked to just one underlying index.

The contingent quarterly coupon, if any, is based on the value of each underlying index on only the related quarterly observation date at the end of the related interest period. Whether the contingent quarterly coupon will be paid on any coupon payment date during years 5-15 will be determined at the end of the relevant interest period based on the index closing value of each underlying index on the relevant quarterly observation date. As a result, you will not know whether you will receive the contingent quarterly coupon on any coupon payment date until near the end of the relevant interest period. Moreover, because the contingent quarterly coupon is based solely on the value of each underlying index on quarterly observation dates, if the index closing value of any underlying index on any observation date is below the initial index value for such index, you will receive no coupon for the related interest period, or any previously unpaid coupons, even if the level of such underlying index was at or above its respective initial index value on other days during that interest period and even if the index closing value of the other underlying indices are at or above their respective initial index values.

§ **Investors will not participate in any appreciation in any underlying index.** Investors will not participate in any appreciation in any underlying index from the initial index value for such index, and the return on the securities will be limited to the fixed quarterly coupons, and the contingent quarterly coupons, if any, that are paid with respect to each observation date during years 5-15 on which the index closing

value of each underlying index is greater than or equal to its respective initial index value, if any.

The market price will be influenced by many unpredictable factors. Several factors, many of which are beyond our control, will influence the value of the securities in the secondary market and the price at which MS & Co. may be willing to purchase or sell the securities in the secondary market. We expect that generally the level of interest rates available in the market and the value of each underlying index on any day, including in relation to its respective initial index value and downside threshold level, will affect the value of the securities more than any other factors. Other factors that may influence the value of the securities include:

- o the volatility (frequency and magnitude of changes in value) of the underlying indices,

o whether the index closing value of any underlying index has been below its respective initial index value on any observation date,

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geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the component stocks of the underlying indices or securities markets generally and which may affect the value of each underlying index,

- o dividend rates on the securities underlying the underlying indices,
- o the time remaining until the securities mature,
- o interest and yield rates in the market,
- o the availability of comparable instruments,
- o the composition of the underlying indices and changes in the constituent stocks of such indices, and
- o any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you sell your securities prior to maturity. Generally, the longer the time remaining to maturity, the more the market price of the securities will be affected by the other factors described above. In particular, if any underlying index has closed below its initial index value, and especially if any underlying index has closed near or below its downside threshold level, the market value of the securities is expected to decrease substantially, and you may have to sell your securities at a substantial discount from the stated principal amount of \$1,000 per security.

You cannot predict the future performance of any underlying index based on its historical performance. The value of any underlying index may decrease and be below the initial index value for such index on each observation date so that you will receive no return on your investment after the first four years, and one or more underlying indices may close below the respective downside threshold level(s) on the final observation date so that you will lose more than 50% or all of your initial investment in the securities. There can be no assurance that the index closing value of each underlying index will be at or above the respective initial index value on any observation date so that you will receive a coupon payment on the securities for the applicable interest period, or that it will be at or above its respective downside threshold level on the final observation date so that you do not suffer a significant loss on your initial investment in the securities. See “S&P 500[®] Overview,” “EURO STOXX 50[®] Index Overview” and “Russell 2000[®] Index Overview” below.

The securities are subject to our credit risk, and any actual or anticipated changes to our credit ratings or credit spreads may adversely affect the market value of the securities. You are dependent on our ability to pay all amounts due on the securities at maturity, upon early redemption or on any coupon payment date, and therefore you are subject to our credit risk. The securities are not guaranteed by any other entity. If we default on our § obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticipated decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the securities.

As a finance subsidiary, MSFL has no independent operations and will have no independent assets. As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and will have no independent assets available for distributions to holders of MSFL securities if they make claims in respect of such securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank § *pari passu* with all other unsecured, unsubordinated obligations of Morgan Stanley. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the guarantee. Holders of securities issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

There are risks associated with investments in securities linked to the value of foreign equity securities. As the § EURO STOXX 50® Index is one of the underlying indices, the securities are linked to the value of foreign equity securities. Investments in securities linked to the value of foreign equity securities involve risks associated with the

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securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Also, there is generally less publicly available information about foreign companies than about U.S. companies that are subject to the reporting requirements of the United States Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements different from those applicable to U.S. reporting companies. The prices of securities issued in foreign markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. Moreover, the economies in such countries may differ favorably or unfavorably from the economy in the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payment positions.

The securities are linked to the Russell 2000[®] Index and are subject to risks associated with small-capitalization companies. As the Russell 2000[®] Index is one of the underlying indices, and the Russell 2000[®] Index consists of stocks issued by companies with relatively small market capitalization, the securities are linked to the value of small-capitalization companies. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies and therefore the Russell 2000[®] Index may be more volatile than indices that consist of stocks issued by large-capitalization companies. Stock prices of § small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded. In addition, small capitalization companies are typically less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.

Not equivalent to investing in the underlying indices. Investing in the securities is not equivalent to investing in any underlying index or the component stocks of any underlying index. Investors in the securities will not participate § in any positive performance of any underlying index, and will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to stocks that constitute any underlying index.

Reinvestment risk. The term of your investment in the securities may be shortened due to the automatic early redemption feature of the securities. If the securities are redeemed prior to maturity, you will receive no more § contingent quarterly coupons and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns. However, under no circumstances will the securities be redeemed in the first 5.5 years of the term of the securities.

The securities will not be listed on any securities exchange and secondary trading may be limited.

Accordingly, you should be willing to hold your securities for the entire 15-year term of the securities. The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. MS & Co. may, but is not obligated to, make a market in the securities and, if it once chooses to make a market, may cease doing so at any time. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding § any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which MS & Co. is willing to transact. If, at any time, MS & Co. were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

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The rate we are willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by our secondary market credit spreads and advantageous to us. Both the lower rate and the inclusion of costs associated with issuing, selling, structuring and hedging the securities in the original issue price reduce the economic terms of the securities, cause the estimated value of the securities to be less than the original issue price and will adversely affect secondary market prices. Assuming no change in market conditions § or any other relevant factors, the prices, if any, at which dealers, including MS & Co., may be willing to purchase the securities in secondary market transactions will likely be significantly lower than the original issue price, because secondary market prices will exclude the issuing, selling, structuring and hedging-related costs that are included in the original issue price and borne by you and because the secondary market prices will reflect our secondary market credit spreads and the bid-offer spread that any dealer would charge in a secondary market transaction of this type as well as other factors.

The inclusion of the costs of issuing, selling, structuring and hedging the securities in the original issue price and the lower rate we are willing to pay as issuer make the economic terms of the securities less favorable to you than they otherwise would be.

However, because the costs associated with issuing, selling, structuring and hedging the securities are not fully deducted upon issuance, for a period of up to 18 months following the issue date, to the extent that MS & Co. may buy or sell the securities in the secondary market, absent changes in market conditions, including those related to the underlying indices, and to our secondary market credit spreads, it would do so based on values higher than the estimated value, and we expect that those higher values will also be reflected in your brokerage account statements.

The estimated value of the securities is determined by reference to our pricing and valuation models, which may differ from those of other dealers and is not a maximum or minimum secondary market price. These pricing and valuation models are proprietary and rely in part on subjective views of certain market inputs and certain assumptions about future events, which may prove to be incorrect. As a result, because there is no market-standard way to value these types of securities, our models may yield a higher estimated value of the securities than those § generated by others, including other dealers in the market, if they attempted to value the securities. In addition, the estimated value on the pricing date does not represent a minimum or maximum price at which dealers, including MS & Co., would be willing to purchase your notes in the secondary market (if any exists) at any time. The value of your securities at any time after the date of this document will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions. See also “The market price will be influenced by many unpredictable factors” above.

§ Hedging and trading activity by our affiliates could potentially affect the value of the securities. One or more of our affiliates and/or third-party dealers have carried out, and will continue to carry out, hedging activities related

to the securities (and to other instruments linked to the underlying indices or their component stocks), including trading in the stocks that constitute the underlying indices as well as in other instruments related to the underlying indices. As a result, these entities may be unwinding or adjusting hedge positions during the term of the securities, and the hedging strategy may involve greater and more frequent dynamic adjustments to the hedge as the final observation date approaches. Some of our affiliates also trade the stocks that constitute the underlying indices and other financial instruments related to the underlying indices on a regular basis as part of their general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the pricing date could have increased the initial index value of an underlying index, and, therefore, could have increased (i) the value at or above which such underlying index must close on the redemption determination dates so that the securities are redeemed prior to maturity for the early redemption payment (depending also on the performance of the other underlying indices), (ii) the value at or above which such underlying index must close on the observation dates in order for you to earn a contingent quarterly coupon (depending also on the performance of the other underlying indices) and (iii) the downside threshold level for such underlying index, which is the value at or above which such underlying index must close on the final observation date so that you are not exposed to the negative performance of the worst performing underlying index at maturity (depending also on the performance of the other underlying indices). Additionally, such hedging or trading activities during the term of the securities could affect the value of an underlying index on the redemption determination dates and the observation dates, and, accordingly, whether we redeem the securities prior to maturity, whether we pay a

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contingent quarterly coupon on the securities and the amount of cash you receive at maturity, if any (depending also on the performance of the other underlying indices).

The calculation agent, which is a subsidiary of Morgan Stanley and an affiliate of MSFL, will make determinations with respect to the securities. As calculation agent, MS & Co. has determined the initial index value and the downside threshold level for each underlying index, and will determine whether you receive a contingent quarterly coupon on each coupon payment date after the first four years and/or at maturity, whether you receive any previously unpaid contingent quarterly coupons, whether the securities will be redeemed on any early redemption date and the payment at maturity, if any. Moreover, certain determinations made by MS & Co., in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events and the selection of a successor index or calculation of the index closing value in the event of a market disruption event or discontinuance of an underlying index. These potentially subjective determinations may adversely affect the payout to you at maturity, if any. For further information regarding these types of determinations, see "Description of Auto-Callable Securities—Postponement of Determination Dates," "—Alternate Exchange Calculation in Case of an Event of Default," "—Discontinuance of Any Underlying Index; Alternation of Method of Calculation" and "—Calculation Agent and Calculations" in the accompanying product supplement. In addition, MS & Co. has determined the estimated value of the securities on the pricing date.

Adjustments to the underlying indices could adversely affect the value of the securities. The publisher of each underlying index may add, delete or substitute the component stocks of such underlying index or make other methodological changes that could change the value of such underlying index. Any of these actions could adversely affect the value of the securities. The publisher of each underlying index may also discontinue or suspend calculation or publication of such underlying index at any time. In these circumstances, MS & Co., as the calculation agent, will have the sole discretion to substitute a successor index that is comparable to the discontinued index. MS & Co. could have an economic interest that is different than that of investors in the securities insofar as, for example, MS & Co. is permitted to consider indices that are calculated and published by MS & Co. or any of its affiliates. If MS & Co. determines that there is no appropriate successor index on any observation date, the determination of whether a contingent quarterly coupon will be payable on the securities on the applicable coupon payment date, and/or the amount payable at maturity, will be based on the value of such underlying index, based on the closing prices of the stocks constituting such underlying index at the time of such discontinuance, without rebalancing or substitution, computed by MS & Co. as calculation agent in accordance with the formula for calculating such underlying index last in effect prior to such discontinuance, as compared to the initial index value or downside threshold level, as applicable (depending also on the performance of the other underlying indices).

The U.S. federal income tax consequences of an investment in the securities are uncertain. There is no direct legal authority as to the proper treatment of the securities for U.S. federal income tax purposes, and, therefore, significant aspects of the tax treatment of the securities are uncertain.

Please read the discussion under “Additional Provisions—Tax considerations” in this document concerning the U.S. federal income tax consequences of an investment in the securities. We intend to treat a security for U.S. federal income tax purposes as a single financial contract that provides for a coupon that will be treated as gross income to you at the time received or accrued, in accordance with your regular method of tax accounting. Under this treatment, the ordinary income treatment of the coupon payments, in conjunction with the capital loss treatment of any loss recognized upon the sale, exchange or settlement of the securities, could result in adverse tax consequences to holders of the securities because the deductibility of capital losses is subject to limitations. We do not plan to request a ruling from the Internal Revenue Service (the “IRS”) regarding the tax treatment of the securities, and the IRS or a court may not agree with the tax treatment described herein. If the IRS were successful in asserting an alternative treatment for the securities, the timing and character of income or loss on the securities might differ significantly from the tax treatment described herein. For example, under one possible treatment, the IRS could seek to recharacterize the securities as debt instruments. In that event, U.S. Holders (as defined below) would be required to accrue into income original issue discount on the securities every year at a “comparable yield” determined at the time of issuance (as adjusted based on the difference, if any, between the actual and the projected amount of any contingent payments on the securities) and recognize all income and gain in respect of the securities as ordinary income. The risk that financial instruments

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providing for buffers, triggers or similar downside protection features, such as the securities, would be recharacterized as debt is greater than the risk of recharacterization for comparable financial instruments that do not have such features.

Non-U.S. Holders (as defined below) should note that we currently intend to withhold on any coupon paid to Non-U.S. Holders generally at a rate of 30%, or at a reduced rate specified by an applicable income tax treaty under an “other income” or similar provision, and will not be required to pay any additional amounts with respect to amounts withheld.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. While it is not clear whether the securities would be viewed as similar to the prepaid forward contracts described in the notice, it is possible that any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. The notice focuses on a number of issues, the most relevant of which for holders of the securities are the character and timing of income or loss and the degree, if any, to which income realized by non-U.S. investors should be subject to withholding tax. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments, the issues presented by this notice and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

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Principal at Risk Securities

S&P 500[®] Index Overview

The S&P 500[®] Index, which is calculated, maintained and published by S&P Dow Jones Indices LLC (“S&P”), consists of stocks of 500 component companies selected to provide a performance benchmark for the U.S. equity markets. The calculation of the S&P 500[®] Index is based on the relative value of the float adjusted aggregate market capitalization of the 500 component companies as of a particular time as compared to the aggregate average market capitalization of 500 similar companies during the base period of the years 1941 through 1943. For additional information about the S&P 500[®] Index, see the information set forth under “S&P 500[®] Index” in the accompanying index supplement.

Information as of market close on November 27, 2018:

Bloomberg Ticker Symbol:	SPX	52 Week High (on 9/20/2018):	2,930.75
Current Index Value:	2,682.17	52 Week Low (on 2/8/2018):	2,581.00
52 Weeks Ago:	2,601.42		

The following graph sets forth the daily index closing values of the SPX Index for the period from January 1, 2008 through November 27, 2018. The related table sets forth the published high and low index closing values, as well as end-of-quarter index closing values, of the SPX Index for each quarter for the period from January 1, 2013 through November 27, 2018. The index closing value of the SPX Index on November 27, 2018 was 2,682.17. We obtained the information in the table below from Bloomberg Financial Markets, without independent verification. The SPX Index has experienced periods of high volatility, and you should not take the historical values of the SPX Index as an indication of its future performance.

SPX Index Daily Index Closing Values

January 1, 2008 to November 27, 2018

* The red solid line in the graph indicates the downside threshold level of 1,341.085, which is 50% of the initial index value.

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Principal at Risk Securities

S&P 500® Index	High	Low	Period End
2013			
First Quarter	1,569.19	1,457.15	1,569.19
Second Quarter	1,669.16	1,541.61	1,606.28
Third Quarter	1,725.52	1,614.08	1,681.55
Fourth Quarter	1,848.36	1,655.45	1,848.36
2014			
First Quarter	1,878.04	1,741.89	1,872.34
Second Quarter	1,962.87	1,815.69	1,960.23
Third Quarter	2,011.36	1,909.57	1,972.29
Fourth Quarter	2,090.57	1,862.49	2,058.90
2015			
First Quarter	2,117.39	1,992.67	2,067.89
Second Quarter	2,130.82	2,057.64	2,063.11
Third Quarter	2,128.28	1,867.61	1,920.03
Fourth Quarter	2,109.79	1,923.82	2,043.94
2016			
First Quarter	2,063.95	1,829.08	2,059.74
Second Quarter	2,119.12	2,000.54	2,098.86
Third Quarter	2,190.15	2,088.55	2,168.27
Fourth Quarter	2,271.72	2,085.18	2,238.83
2017			
First Quarter	2,395.96	2,238.83	2,362.72
Second Quarter	2,453.46	2,328.95	2,423.41
Third Quarter	2,480.91	2,409.75	2,519.36
Fourth Quarter	2,690.16	2,529.12	2,673.61
2018			
First Quarter	2,872.87	2,581.00	2,640.87
Second Quarter	2,786.85	2,581.88	2,718.37
Third Quarter	2,930.75	2,713.22	2,913.98
Fourth Quarter (through November 27, 2018)	2,925.51	2,632.56	2,682.17

“Standard & Poor®,” “S&P,” “S&P 500,” “Standard & Poor’s 500” and “500” are trademarks of Standard and Poor’s Financial Services LLC. See “S&P 500® Index” in the accompanying index supplement.

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Principal at Risk Securities

EURO STOXX 50[®] Index Overview

The EURO STOXX 50[®] Index was created by STOXX Limited, which is owned by Deutsche Börse AG and SIX Group AG. Publication of the EURO STOXX 50[®] Index began on February 26, 1998, based on an initial index value of 1,000 at December 31, 1991. The EURO STOXX 50[®] Index is composed of 50 component stocks of market sector leaders from within the STOXX 600 Supersector Indices, which includes stocks selected from the Eurozone. The component stocks have a high degree of liquidity and represent the largest companies across all market sectors. For additional information about the EURO STOXX 50[®] Index, see the information set forth under “EURO STOXX 50[®] Index” in the accompanying index supplement.

Information as of market close on November 27, 2018:

Bloomberg Ticker Symbol:	SX5E	52 Week High	3,672.29
		(on 1/23/2018):	
Current Index Value:	3,166.42	52 Week Low (on	3,116.07
		11/20/2018):	
52 Weeks Ago:	3,564.02		

The following graph sets forth the daily index closing values of the SX5E Index for the period from January 1, 2008 through November 27, 2018. The related table sets forth the published high and low index closing values, as well as end-of-quarter index closing values, of the SX5E Index for each quarter for the period from January 1, 2013 through November 27, 2018. The index closing value of the SX5E Index on November 27, 2018 was 3,166.42. We obtained the information in the table and graph below from Bloomberg Financial Markets, without independent verification. The SX5E Index has experienced periods of high volatility, and you should not take the historical values of the SX5E Index as an indication of its future performance.

**SX5E Index Daily Index Closing Values
January 1, 2008 to November 27, 2018**

** The red solid line in the graph indicates the downside threshold level of 1,583.21, which is 50% of the initial index value.*

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Principal at Risk Securities

EURO STOXX 50® Index	High	Low	Period End
2013			
First Quarter	2,749.27	2,570.52	2,624.02
Second Quarter	2,835.87	2,511.83	2,602.59
Third Quarter	2,936.20	2,570.76	2,893.15
Fourth Quarter	3,111.37	2,902.12	3,109.00
2014			
First Quarter	3,172.43	2,962.49	3,161.60
Second Quarter	3,314.80	3,091.52	3,228.24
Third Quarter	3,289.75	3,006.83	3,225.93
Fourth Quarter	3,277.38	2,874.65	3,146.43
2015			
First Quarter	3,731.35	3,007.91	3,697.38
Second Quarter	3,828.78	3,424.30	3,424.30
Third Quarter	3,686.58	3,019.34	3,100.67
Fourth Quarter	3,506.45	3,069.05	3,267.52
2016			
First Quarter	3,178.01	2,680.35	3,004.93
Second Quarter	3,151.69	2,697.44	2,864.74
Third Quarter	3,091.66	2,761.37	3,002.24
Fourth Quarter	3,290.52	2,954.53	3,290.52
2017			
First Quarter	3,500.93	3,230.68	3,500.93
Second Quarter	3,658.79	3,409.78	3,441.88
Third Quarter	3,527.83	3,388.22	3,594.85
Fourth Quarter	3,697.40	3,503.96	3,503.96
2018			
First Quarter	3,672.29	3,278.72	3,361.50
Second Quarter	3,592.18	3,340.35	3,395.60
Third Quarter	3,527.18	3,293.36	3,399.20
Fourth Quarter (through November 27, 2018)	3,414.16	3,116.07	3,166.42

“EURO STOXX®” and “STOXX®” are registered trademarks of STOXX Limited. For more information, see “EURO STOXX 50® Index” in the accompanying index supplement.

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Principal at Risk Securities

Russell 2000® Index Overview

The Russell 2000® Index is an index calculated, published and disseminated by FTSE Russell, and measures the composite price performance of stocks of 2,000 companies incorporated in the U.S. and its territories. All 2,000 stocks are traded on a major U.S. exchange and are the 2,000 smallest securities that form the Russell 3000® Index. The Russell 3000® Index is composed of the 3,000 largest U.S. companies as determined by market capitalization and represents approximately 98% of the U.S. equity market. The Russell 2000

	135.36
Fourth Quarter	137.72
	127.39
2013	
First Quarter	139.15
	124.02
Second Quarter	141.46
	127.97
Third Quarter	141.04
	122.36
Fourth Quarter	134.25
	116.86
2014	
First Quarter	131.57

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	117.53
Second Quarter	144.41
	131.27
Third Quarter	156.64
	140.93
Fourth Quarter	169.20
	141.59
2015	
First Quarter	180.88
	164.64
Second Quarter	175.81
	159.08
Third Quarter	179.70
	160.53
Fourth Quarter	185.54
	170.21
2016	
First Quarter	190.20
	161.11
Second Quarter (through the pricing date)	189.87
	177.62

The Boeing Company

The Boeing Company, together with its subsidiaries, develops, produces, and markets commercial jet aircraft, and provides related support services to the commercial airline industry worldwide. The company also researches, develops, produces, modifies, and supports information, space, and defense systems, including military aircraft, helicopters and space and missile systems. Its common stock trades on the NYSE under the symbol "BA."

Historical Information of the Common Stock of The Boeing Company

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	76.34	72.56
	Second Quarter	77.27	67.24
	Third Quarter	75.51	69.38
	Fourth Quarter	76.20	69.53
2013	First Quarter	86.62	73.65
	Second Quarter	104.08	84.09
	Third Quarter	119.38	101.47
	Fourth Quarter	138.36	114.47
2014	First Quarter	144.37	121.40
	Second Quarter	138.25	122.07
	Third Quarter	129.74	118.34
	Fourth Quarter	134.81	120.19
2015	First Quarter	158.31	127.53
	Second Quarter	154.38	138.72
	Third Quarter	148.49	125.49
	Fourth Quarter	149.40	130.61
2016	First Quarter	141.07	108.44
	Second Quarter (through the pricing date)	132.68	126.34

BB&T Corporation

BB&T Corporation operates banking offices in the Carolinas, Georgia, Virginia, Maryland, West Virginia, Kentucky, Alabama, Indiana, Washington D.C., Florida, Tennessee and Texas. The company and its subsidiaries offer full-service commercial and retail banking, as well as insurance, retail brokerage, corporate finance, international banking, leasing, and trust services. Its common stock trades on the NYSE under the symbol "BBT."

Historical Information of the Common Stock of BB&T Corporation

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	31.88	25.79
	Second Quarter	32.63	27.64
	Third Quarter	33.99	30.67
	Fourth Quarter	33.64	27.09
2013	First Quarter	31.78	29.83
	Second Quarter	34.12	29.27
	Third Quarter	36.43	33.52
	Fourth Quarter	37.32	32.66
2014	First Quarter	40.77	36.41
	Second Quarter	40.71	36.81
	Third Quarter	40.08	35.96
	Fourth Quarter	39.37	35.20
2015	First Quarter	39.81	35.29
	Second Quarter	41.56	37.60
	Third Quarter	41.60	34.78
	Fourth Quarter	39.04	35.63
2016	First Quarter	36.66	30.28
	Second Quarter (through the pricing date)	35.83	32.44

Cisco Systems, Inc.

Cisco Systems, Inc. designs, manufactures, and sells Internet Protocol based networking and other products related to the communications and information technology industry and provide services associated with these products and their use. The company provides products for transporting data, voice, and video within buildings, across campuses, and globally. Its common stock trades on the NASDAQ Global Select Market (“NASDAQ”) under the symbol “CSCO.”

Historical Information of the Common Stock of Cisco Systems, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	21.15	18.63
	Second Quarter	21.19	15.96
	Third Quarter	19.73	15.12
	Fourth Quarter	20.38	16.82
2013	First Quarter	21.93	20.29
	Second Quarter	24.82	20.38
	Third Quarter	26.38	23.31
	Fourth Quarter	24.00	20.24
2014	First Quarter	22.85	21.35
	Second Quarter	25.04	22.46
	Third Quarter	25.98	24.43
	Fourth Quarter	28.46	22.82
2015	First Quarter	30.19	26.37
	Second Quarter	29.76	27.13
	Third Quarter	29.03	24.62
	Fourth Quarter	29.36	25.73
2016	First Quarter	28.47	22.51
	Second Quarter (through the pricing date)	28.69	27.58

PS-25

CSX Corporation

CSX Corporation is an international freight transportation company. The company provides rail, intermodal, domestic container-shipping, barging, and contract logistics services around the world. Its common stock trades on the NASDAQ under the symbol "CSX."

Historical Information of the Common Stock of CSX Corporation

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	23.68	20.16
	Second Quarter	22.69	20.32
	Third Quarter	23.39	20.75
	Fourth Quarter	21.63	19.01
2013	First Quarter	24.63	20.17
	Second Quarter	26.14	22.65
	Third Quarter	26.75	23.03
	Fourth Quarter	28.77	25.25
2014	First Quarter	29.23	26.02
	Second Quarter	31.00	27.79
	Third Quarter	32.46	29.27
	Fourth Quarter	37.91	29.94
2015	First Quarter	36.57	33.12
	Second Quarter	37.46	32.42
	Third Quarter	32.90	25.31
	Fourth Quarter	29.89	24.70
2016	First Quarter	27.02	21.97
	Second Quarter (through the pricing date)	27.53	24.53

PS-26

Chevron Corporation

Chevron Corporation is an integrated energy company with operations in countries located around the world. The company produces and transports crude oil and natural gas. The company also refines, markets, and distributes fuels and is involved in chemical operations, mining operations, power generation and energy services. Its common stock trades on the NYSE under the symbol "CVX."

Historical Information of the Common Stock of Chevron Corporation

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	111.19	102.85
	Second Quarter	108.30	96.41
	Third Quarter	117.85	103.88
	Fourth Quarter	117.96	101.52
2013	First Quarter	121.18	109.26
	Second Quarter	126.43	114.81
	Third Quarter	127.76	117.70
	Fourth Quarter	125.23	116.13
2014	First Quarter	125.07	109.52
	Second Quarter	132.98	116.69
	Third Quarter	134.85	119.32
	Fourth Quarter	119.95	100.86
2015	First Quarter	112.78	101.62
	Second Quarter	111.73	96.47
	Third Quarter	96.09	70.02
	Fourth Quarter	98.14	78.34
2016	First Quarter	97.69	78.98
	Second Quarter (through the pricing date)	102.01	93.43

General Electric Company

General Electric Company is a diversified technology and financial services company. The company's products and services include aircraft engines, power generation, water processing, household appliances, medical imaging, business and consumer financing and industrial products. Its common stock is traded on the NYSE under the symbol "GE."

Historical Information of the Common Stock of General Electric Company

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	20.21	18.36
	Second Quarter	20.84	18.15
	Third Quarter	22.73	19.44
	Fourth Quarter	23.12	20.01
2013	First Quarter	23.77	20.90
	Second Quarter	24.33	21.35
	Third Quarter	24.86	22.90
	Fourth Quarter	28.03	23.57
2014	First Quarter	27.50	24.35
	Second Quarter	27.44	25.43
	Third Quarter	27.02	25.02
	Fourth Quarter	27.01	23.95
2015	First Quarter	26.11	23.58
	Second Quarter	28.51	24.84
	Third Quarter	27.24	23.27
	Fourth Quarter	31.28	25.19
2016	First Quarter	31.83	27.45
	Second Quarter (through the pricing date)	31.93	30.63

General Mills, Inc.

General Mills, Inc. manufactures and markets branded and packaged consumer foods worldwide. The company also supplies branded and unbranded food products to the foodservice and commercial baking industries. Its common stock is traded on the NYSE under the symbol "GIS."

Historical Information of the Common Stock of General Mills, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	41.05	38.04
	Second Quarter	39.69	37.55
	Third Quarter	40.44	37.91
	Fourth Quarter	41.77	39.19
2013	First Quarter	49.31	40.62
	Second Quarter	50.93	47.08
	Third Quarter	52.73	47.92
	Fourth Quarter	51.53	47.41
2014	First Quarter	51.82	46.86
	Second Quarter	55.56	51.00
	Third Quarter	53.82	50.12
	Fourth Quarter	54.41	48.86
2015	First Quarter	56.60	51.70
	Second Quarter	57.14	54.36
	Third Quarter	59.55	54.52
	Fourth Quarter	59.23	55.70
2016	First Quarter	63.35	54.12
	Second Quarter (through the pricing date)	65.36	60.12

PS-29

Johnson Controls, Inc.

Johnson Controls, Inc. markets automotive systems and building controls, and supplies seating systems, interior systems, and batteries. The company provides building control systems and services, energy management, and integrated facility management, as well as batteries for automobiles and hybrid electric vehicles. Its common stock is traded on the NYSE under the symbol "JCI."

Historical Information of the Common Stock of Johnson Controls, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	35.58	31.06
	Second Quarter	33.16	26.57
	Third Quarter	29.20	23.51
	Fourth Quarter	30.67	24.94
2013	First Quarter	35.09	30.62
	Second Quarter	38.06	32.17
	Third Quarter	43.06	35.54
	Fourth Quarter	51.45	39.89
2014	First Quarter	51.92	44.05
	Second Quarter	50.61	43.64
	Third Quarter	51.43	44.00
	Fourth Quarter	50.52	39.90
2015	First Quarter	51.90	44.95
	Second Quarter	53.59	49.53
	Third Quarter	50.95	38.95
	Fourth Quarter	46.02	38.75
2016	First Quarter	39.08	34.21
	Second Quarter (through the pricing date)	41.93	37.83

PS-30

JPMorgan Chase & Co.

JPMorgan Chase & Co. provides global financial services and retail banking. The company provides services such as investment banking, treasury and securities services, asset management, private banking, card member services, commercial banking, and home finance, and serves business enterprises, institutions, and individuals. Its common stock trades on the NYSE under the symbol "JPM."

Historical Information of the Common Stock of JPMorgan Chase & Co.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	46.27	34.91
	Second Quarter	46.13	31.00
	Third Quarter	41.57	33.90
	Fourth Quarter	44.53	39.29
2013	First Quarter	51.00	44.57
	Second Quarter	55.62	46.64
	Third Quarter	56.67	50.32
	Fourth Quarter	58.48	50.75
2014	First Quarter	61.07	54.31
	Second Quarter	60.67	53.31
	Third Quarter	61.63	55.56
	Fourth Quarter	63.15	55.08
2015	First Quarter	62.49	54.38
	Second Quarter	69.75	59.95
	Third Quarter	70.08	59.84
	Fourth Quarter	68.46	59.99
2016	First Quarter	63.73	53.07
	Second Quarter (through the pricing date)	64.24	57.32

PS-31

The Coca-Cola Company

The Coca-Cola Company manufactures, markets, and distributes soft drink concentrates and syrups. The company also distributes and markets juice and juice-drink products. Its common stock is traded on the NYSE under the symbol “KO.”

Historical Information of the Common Stock of The Coca-Cola Company

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	37.01	33.50
	Second Quarter	39.10	35.97
	Third Quarter	40.56	37.14
	Fourth Quarter	38.58	35.97
2013	First Quarter	40.69	36.84
	Second Quarter	43.09	39.13
	Third Quarter	41.09	37.88
	Fourth Quarter	41.31	37.05
2014	First Quarter	40.66	37.10
	Second Quarter	42.36	38.07
	Third Quarter	42.66	39.18
	Fourth Quarter	44.83	40.39
2015	First Quarter	43.78	39.91
	Second Quarter	41.52	39.23
	Third Quarter	42.12	37.99
	Fourth Quarter	43.84	39.80
2016	First Quarter	46.58	41.38
	Second Quarter (through the pricing date)	46.89	43.66

PS-32

Lockheed Martin Corporation

Lockheed Martin Corporation is a security company that researches, designs, develops, manufactures, and integrates technology products and services. The company's businesses span space, telecommunications, electronics, information and services, aeronautics, energy, and systems integration. Its common stock is traded on the NYSE under the symbol "LMT."

Historical Information of the Common Stock of Lockheed Martin Corporation

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	90.85	79.98
	Second Quarter	91.70	80.82
	Third Quarter	93.80	86.02
	Fourth Quarter	94.87	87.58
2013	First Quarter	96.52	86.70
	Second Quarter	108.85	94.53
	Third Quarter	130.84	106.40
	Fourth Quarter	148.84	122.03
2014	First Quarter	166.84	146.07
	Second Quarter	168.08	153.82
	Third Quarter	182.78	157.21
	Fourth Quarter	196.84	172.61
2015	First Quarter	206.62	188.37
	Second Quarter	201.44	185.52
	Third Quarter	213.02	187.30
	Fourth Quarter	226.43	204.75
2016	First Quarter	222.96	206.08
	Second Quarter (through the pricing date)	227.14	223.11

Altria Group, Inc.

Altria Group, Inc. is a holding company. The company, through subsidiaries, manufactures and sells cigarettes and other tobacco products, including cigars and pipe tobacco. Its common stock is traded on the NYSE under the symbol "MO."

Historical Information of the Common Stock of Altria Group, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	30.87	28.14
	Second Quarter	34.55	30.95
	Third Quarter	36.16	32.94
	Fourth Quarter	34.05	30.49
2013	First Quarter	35.32	31.90
	Second Quarter	37.46	34.30
	Third Quarter	37.23	33.46
	Fourth Quarter	38.57	34.45
2014	First Quarter	37.90	34.00
	Second Quarter	43.12	37.39
	Third Quarter	46.04	40.50
	Fourth Quarter	51.27	45.17
2015	First Quarter	56.50	48.69
	Second Quarter	52.82	47.54
	Third Quarter	55.76	48.99
	Fourth Quarter	61.53	54.22
2016	First Quarter	62.98	57.20
	Second Quarter (through the pricing date)	63.82	60.18

PS-34

NextEra Energy, Inc.

NextEra Energy, Inc. provides sustainable energy generation and distribution services. The company generates electricity through wind, solar, and natural gas. Through its subsidiaries, the company also operates multiple commercial nuclear power units. Its common stock is traded on the NYSE under the symbol “NEE.”

Historical Information of the Common Stock of NextEra Energy, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	61.08	58.79
	Second Quarter	68.81	61.83
	Third Quarter	71.42	67.11
	Fourth Quarter	72.05	66.49
2013	First Quarter	77.68	70.52
	Second Quarter	82.03	75.62
	Third Quarter	88.29	79.00
	Fourth Quarter	89.06	79.35
2014	First Quarter	95.62	84.25
	Second Quarter	102.48	93.90
	Third Quarter	101.45	92.35
	Fourth Quarter	110.50	91.82
2015	First Quarter	111.66	97.98
	Second Quarter	105.54	97.99
	Third Quarter	109.53	94.62
	Fourth Quarter	105.71	96.42
2016	First Quarter	119.01	103.57
	Second Quarter (through the pricing date)	118.71	112.91

PS-35

PepsiCo, Inc.

PepsiCo, Inc. operates worldwide beverage, snack and food businesses. The company manufactures or uses contract manufacturers, markets and sells a variety of grain-based snacks, carbonated and non-carbonated beverages and foods in countries throughout the world. Its common stock is traded on the NYSE under the symbol "PEP."

Historical Information of the Common Stock of PepsiCo, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	66.76	62.28
	Second Quarter	70.66	64.85
	Third Quarter	73.58	68.79
	Fourth Quarter	71.19	68.02
2013	First Quarter	79.11	69.33
	Second Quarter	84.25	78.59
	Third Quarter	86.80	79.06
	Fourth Quarter	86.68	78.93
2014	First Quarter	83.50	77.10
	Second Quarter	90.10	82.59
	Third Quarter	93.79	88.10
	Fourth Quarter	100.39	90.79
2015	First Quarter	100.40	93.02
	Second Quarter	98.22	92.64
	Third Quarter	99.86	89.64
	Fourth Quarter	103.08	93.85
2016	First Quarter	102.69	93.77
	Second Quarter (through the pricing date)	105.08	100.99

PS-36

Pfizer Inc.

Pfizer Inc. is a research-based, global pharmaceutical company that discovers, develops, manufactures, and markets medicines for humans and animals. The company's products include prescription pharmaceuticals, non-prescription self-medications, and animal health products such as anti-infective medicines and vaccines. Its common stock is traded on the NYSE under the symbol "PFE."

Historical Information of the Common Stock of Pfizer Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	22.65	20.95
	Second Quarter	23.08	21.60
	Third Quarter	24.96	22.34
	Fourth Quarter	26.04	23.66
2013	First Quarter	28.86	25.85
	Second Quarter	31.08	27.23
	Third Quarter	29.67	27.65
	Fourth Quarter	32.20	28.24
2014	First Quarter	32.75	29.66
	Second Quarter	32.40	29.02
	Third Quarter	30.96	28.04
	Fourth Quarter	32.09	27.70
2015	First Quarter	35.05	31.16
	Second Quarter	35.44	33.46
	Third Quarter	36.15	30.82
	Fourth Quarter	35.45	31.33
2016	First Quarter	32.18	28.56
	Second Quarter (through the pricing date)	33.27	30.04

The Procter & Gamble Company

The Procter & Gamble Company manufactures and markets consumer products. The company provides products in the laundry and cleaning, paper, beauty care, food and beverage, and health care segments. The company's products are sold primarily through mass merchandisers, grocery stores, membership club stores, drug stores, and neighborhood stores. Its common stock is traded on the NYSE under the symbol "PG."

Historical Information of the Common Stock of The Procter & Gamble Company

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	67.90	62.77
	Second Quarter	67.56	59.27
	Third Quarter	69.76	61.19
	Fourth Quarter	70.76	66.32
2013	First Quarter	77.58	68.51
	Second Quarter	82.54	75.25
	Third Quarter	82.17	75.59
	Fourth Quarter	85.41	75.65
2014	First Quarter	81.42	75.70
	Second Quarter	82.94	78.59
	Third Quarter	85.24	77.32
	Fourth Quarter	93.46	82.24
2015	First Quarter	91.62	81.39
	Second Quarter	83.60	77.43
	Third Quarter	82.30	68.06
	Fourth Quarter	80.99	71.95
2016	First Quarter	83.49	74.98
	Second Quarter (through the pricing date)	83.81	80.80

QUALCOMM, Inc.

QUALCOMM, Inc. manufactures digital wireless communications equipment. The company licenses its code division multiple access and orthogonal frequency division multiplexing access intellectual property to other companies, and produces integrated circuits, equipment and software used to track workers and assets, and software for wireless content enablement. Its common stock is traded on the NASDAQ under the symbol “QCOM.”

Historical Information of the Common Stock of QUALCOMM, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	68.59	55.27
	Second Quarter	68.33	53.56
	Third Quarter	65.08	53.73
	Fourth Quarter	64.35	57.43
2013	First Quarter	67.97	63.45
	Second Quarter	67.29	59.89
	Third Quarter	70.09	59.39
	Fourth Quarter	74.25	65.71
2014	First Quarter	79.28	71.12
	Second Quarter	81.32	77.61
	Third Quarter	81.60	72.49
	Fourth Quarter	78.51	69.26
2015	First Quarter	74.51	62.46
	Second Quarter	71.06	62.62
	Third Quarter	65.14	52.43
	Fourth Quarter	60.87	46.83
2016	First Quarter	53.30	42.96
	Second Quarter (through the pricing date)	52.64	50.07

PS-39

Schlumberger Limited

Schlumberger Limited is an oil services company. The company, through its subsidiaries, provides a wide range of services, including technology, project management and information solutions to the international petroleum industry as well as acquisition and data processing surveys. Its common stock is traded on the NYSE under the symbol, "SLB."

Historical Information of the Common Stock of Schlumberger Limited

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	80.00	67.64
	Second Quarter	75.13	59.67
	Third Quarter	77.60	64.94
	Fourth Quarter	74.80	67.77
2013	First Quarter	81.56	70.92
	Second Quarter	77.59	69.95
	Third Quarter	88.95	72.61
	Fourth Quarter	94.46	85.54
2014	First Quarter	97.57	86.16
	Second Quarter	117.95	97.10
	Third Quarter	117.85	101.01
	Fourth Quarter	98.85	79.90
2015	First Quarter	88.89	76.63
	Second Quarter	94.61	84.28
	Third Quarter	86.02	68.97
	Fourth Quarter	81.52	67.34
2016	First Quarter	76.16	61.06
	Second Quarter (through the pricing date)	81.10	72.01

PS-40

Simon Property Group, Inc.

Simon Property Group, Inc. is a REIT. The company owns, develops, and manages retail real estate properties including regional malls, outlet centers, community and lifestyle centers, and international properties. Its common stock is traded on the NYSE under the symbol “SPG.”

Historical Information of the Common Stock of Simon Property Group, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	136.97	119.15
	Second Quarter	148.16	133.26
	Third Quarter	153.76	142.11
	Fourth Quarter	148.64	137.96
2013	First Quarter	153.73	147.71
	Second Quarter	169.56	145.34
	Third Quarter	156.13	134.02
	Fourth Quarter	150.91	139.50
2014	First Quarter	154.54	141.62
	Second Quarter	169.84	154.57
	Third Quarter	173.18	162.71
	Fourth Quarter	187.46	164.38
2015	First Quarter	205.16	179.35
	Second Quarter	200.80	171.00
	Third Quarter	194.78	174.60
	Fourth Quarter	206.19	181.69
2016	First Quarter	207.69	178.93
	Second Quarter (through the pricing date)	209.10	199.29

PS-41

AT&T Inc.

AT&T Inc. is a communications holding company. The company, through its subsidiaries and affiliates, provides local and long-distance phone service, wireless and data communications, Internet access and messaging, IP-based and satellite television, security services, telecommunications equipment, and directory advertising and publishing. Its common stock is traded on the NYSE under the symbol "T."

Historical Information of the Common Stock of AT&T Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	31.84	29.16
	Second Quarter	35.71	30.13
	Third Quarter	38.25	34.63
	Fourth Quarter	38.34	33.14
2013	First Quarter	36.86	33.20
	Second Quarter	39.00	34.35
	Third Quarter	35.96	33.32
	Fourth Quarter	36.45	33.11
2014	First Quarter	35.07	31.86
	Second Quarter	36.74	34.49
	Third Quarter	36.59	34.21
	Fourth Quarter	35.90	32.14
2015	First Quarter	34.87	32.62
	Second Quarter	36.18	32.51
	Third Quarter	35.77	31.80
	Fourth Quarter	34.93	32.31
2016	First Quarter	39.45	33.51
	Second Quarter (through the pricing date)	39.36	37.86

United Parcel Service, Inc.

United Parcel Service, Inc. delivers packages and documents throughout the United States and in other countries and territories. The company also provides global supply chain services and less-than-truckload transportation through its integrated air and ground pick-up and delivery network. Its common stock is traded on the NYSE under the symbol “UPS.”

Historical Information of the Common Stock of United Parcel Service, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	81.11	73.12
	Second Quarter	80.67	72.80
	Third Quarter	80.21	71.57
	Fourth Quarter	75.61	70.02
2013	First Quarter	85.90	76.14
	Second Quarter	89.03	82.37
	Third Quarter	91.80	85.48
	Fourth Quarter	105.08	88.70
2014	First Quarter	103.32	93.62
	Second Quarter	104.08	95.78
	Third Quarter	104.52	95.05
	Fourth Quarter	112.45	94.67
2015	First Quarter	114.25	96.59
	Second Quarter	102.13	95.38
	Third Quarter	103.43	94.46
	Fourth Quarter	106.80	96.23
2016	First Quarter	106.10	88.70
	Second Quarter (through the pricing date)	106.84	103.86

PS-43

Verizon Communications Inc.

Verizon Communications Inc. is a telecommunications company that provides wire line voice and data services, wireless services, Internet services, and published directory information. The company also provides network services for the federal government including business phone lines, data services, telecommunications equipment and payphones. Its common stock is traded on the NYSE under the symbol "VZ."

Historical Information of the Common Stock of Verizon Communications Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	39.78	37.21
	Second Quarter	44.44	36.80
	Third Quarter	45.89	42.25
	Fourth Quarter	47.26	41.40
2013	First Quarter	49.48	41.51
	Second Quarter	53.91	48.30
	Third Quarter	51.49	45.91
	Fourth Quarter	51.14	46.05
2014	First Quarter	49.30	45.98
	Second Quarter	50.05	45.94
	Third Quarter	51.97	48.40
	Fourth Quarter	51.50	45.42
2015	First Quarter	49.81	45.71
	Second Quarter	50.55	46.61
	Third Quarter	48.10	43.50
	Fourth Quarter	47.21	42.84
2016	First Quarter	54.08	44.15
	Second Quarter (through the pricing date)	54.42	50.03

WEC Energy Group, Inc.

WEC Energy Group, Inc. is a utilities provider. The company distributes electricity and natural gas to its customers in Wisconsin, Illinois, Michigan and Minnesota. Its common stock is traded on the NYSE under the symbol "WEC."

Historical Information of the Common Stock of WEC Energy Group, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2012 through the pricing date.

		High (\$)	Low (\$)
2012	First Quarter	35.27	33.92
	Second Quarter	39.58	34.59
	Third Quarter	41.28	36.73
	Fourth Quarter	38.83	36.12
2013	First Quarter	42.89	37.14
	Second Quarter	44.94	39.18
	Third Quarter	43.99	39.62
	Fourth Quarter	42.74	39.94
2014	First Quarter	46.55	40.31
	Second Quarter	48.95	44.64
	Third Quarter	46.48	42.04
	Fourth Quarter	55.23	43.20
2015	First Quarter	57.47	47.82
	Second Quarter	51.11	44.97
	Third Quarter	52.22	45.93
	Fourth Quarter	53.73	48.12
2016	First Quarter	60.07	51.32
	Second Quarter (through the pricing date)	60.11	55.90

PS-45

SUPPLEMENTAL TAX CONSIDERATIONS

Supplemental Canadian Tax Considerations

In the opinion of Torys LLP, our Canadian federal income tax counsel, the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires from us as the beneficial owner the notes offered by this document, and who, at all relevant times, for purposes of the application of the Income Tax Act (Canada) and the Income Tax Regulations (collectively, the “Tax Act”), (1) is not, and is not deemed to be, resident in Canada; (2) deals at arm’s length with us and with any transferee resident (or deemed to be resident) in Canada to whom the purchaser disposes of notes, (3) is not affiliated with us, (4) does not receive any payment of interest on a note in respect of a debt or other obligation to pay an amount to a person with whom we do not deal at arm’s length, (5) does not use or hold notes in a business carried on in Canada and (6) is not a “specified shareholder” of ours as defined in the Tax Act for this purpose or a non-resident person not dealing at arm’s length with such “specified shareholder” (a “Holder”). Special rules, which are not discussed in this summary, may apply to a non-Canadian holder that is an insurer that carries on an insurance business in Canada and elsewhere.

Please note that this section supersedes and replaces in its entirety the section of the prospectus entitled “Canadian Taxation.”

This summary is based on the current provisions of the Tax Act and on counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this document (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of the notes should consult their own tax advisors having regard to their own particular circumstances.

Interest paid or credited or deemed to be paid or credited by us on a note (including amounts on account of, or in lieu of, or in satisfaction of interest) to a Holder will not be subject to Canadian non-resident withholding tax, unless any portion of such interest (other than on a “prescribed obligation,” as defined in the Tax Act for this purpose) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. The administrative policy of the Canada Revenue Agency is that interest paid on a debt obligation is not subject to withholding tax unless, in general, it is reasonable to consider that there is a material connection between the index or formula to which any amount payable under the debt obligation is calculated and the profits of the issuer. With respect to any interest on a note, or any portion of the principal amount of a note in excess of the issue price, such interest or principal, as the case may be, paid or credited to a Holder should not be subject to Canadian non-resident withholding tax.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Holder on interest, discount, or premium in respect of a note or on the proceeds received by a Holder on the disposition of a note (including redemption, cancellation, purchase or repurchase).

Supplemental U.S. Federal Income Tax Considerations

The following, together with the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement, is a general description of the material U.S. tax considerations relating to the notes. It does not purport to be a complete analysis of all tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Canada and the U.S. of acquiring, holding and disposing of the notes and receiving payments under the notes. This summary is based upon the law as in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date.

PS-46

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement with respect to United States holders (as defined in the accompanying prospectus). It applies only to those holders who are not excluded from the discussion of U.S. federal income taxation in the accompanying prospectus. In addition, the discussion below assumes that an investor in the notes will be subject to a significant risk that it will lose a significant amount of its investment in the notes. Bank of Montreal intends to treat interest payments with respect to the notes as U.S. source income for U.S. federal income tax purposes.

You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

NO STATUTORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE NOTES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES ARE UNCERTAIN. BECAUSE OF THE UNCERTAINTY, YOU SHOULD CONSULT YOUR TAX ADVISOR IN DETERMINING THE U.S. FEDERAL INCOME TAX AND OTHER TAX CONSEQUENCES OF YOUR INVESTMENT IN THE NOTES, INCLUDING THE APPLICATION OF STATE, LOCAL OR OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

We will not attempt to ascertain whether a Reference Share Issuer would be treated as a “passive foreign investment company” within the meaning of Section 1297 of the Code or a “U.S. real property holding corporation” within the meaning of Section 897 of the Code. If a Reference Share Issuer were so treated, certain adverse U.S. federal income tax consequences could possibly apply. You should refer to any available information filed with the SEC by Reference Share Issuers and consult your tax advisor regarding the possible consequences to you in this regard.

In the opinion of our counsel, Morrison & Foerster LLP, it would generally be reasonable to treat a note with terms described in this pricing supplement as a pre-paid cash-settled income-bearing derivative contract in respect of the Basket for U.S. federal income tax purposes, and the terms of the notes require a holder and us (in the absence of a change in law or an administrative or judicial ruling to the contrary) to treat the notes for all tax purposes in accordance with such characterization. Although the U.S. federal income tax treatment of the interest payments is uncertain, we intend to take the position, and the following discussion assumes, that such interest payments (including any interest payment on or with respect to the maturity date) constitute taxable ordinary income to a United States holder at the time received or accrued in accordance with the holder’s regular method of accounting. If the notes are treated as described above, subject to the discussion below concerning the application of the “constructive ownership” rules under Section 1260 of the Code, it would be reasonable for a United States holder to take the position that it will recognize capital gain or loss upon the sale or maturity of the notes in an amount equal to the difference between the amount a United States holder receives at such time (other than amounts properly attributable to any interest payments, which would be treated, as described above, as ordinary income) and the United States holder’s tax basis in the notes. In general, a United States holder’s tax basis in the notes will be equal to the price the holder paid for the notes. Capital gain recognized by an individual United States holder is generally taxed at preferential rates where the property is held for more than one year and is generally taxed at ordinary income rates where the property is held for one year or less. The deductibility of capital losses is subject to limitations. The holding period for notes of a United States holder who acquires the notes upon issuance will generally begin on the date after the issue date (i.e., the settlement date) of the notes. If the notes are held by the same United States holder until maturity, that holder’s holding period will generally include the maturity date.

Potential Application of Section 1260 of the Code

Since two of the Reference Shares are the type of financial asset described under Section 1260 of the Code (including, among others, any equity interest in pass-thru entities such as regulated investment companies (including certain exchange-traded funds), real estate investment trusts, partnerships, trusts and passive foreign investment companies), while the matter is not entirely clear, an investment in the notes will likely, in whole or in part, be treated as a “constructive ownership transaction” to which Section 1260 of the Code applies. If Section 1260 of the Code applies, all or a portion of any long-term capital gain recognized by a United States holder in respect of a note will be recharacterized as ordinary income (the “Excess Gain”). In addition, an interest charge will also apply to any deemed underpayment of tax in respect of any Excess Gain to the extent such gain would have resulted in gross income inclusion for the United States holder in taxable years prior to the taxable year of the sale, exchange, or settlement (assuming such income accrued at a constant rate equal to the applicable federal rate as of the date of sale, exchange, or settlement).

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If an investment in a note is treated as a constructive ownership transaction, it is not clear to what extent any long-term capital gain of a United States holder in respect of the note will be recharacterized as ordinary income. It is possible, for example, that the amount of the Excess Gain (if any) that would be recharacterized as ordinary income in respect of the note will equal the excess of (i) any long-term capital gain recognized by the United States holder in respect of the note and attributable to Section 1260 Financial Assets, over (ii) the “net underlying long-term capital gain” (as defined in Section 1260 of the Code) such United States holder would have had if such United States holder had acquired an amount of the corresponding Section 1260 Financial Assets at fair market value on the original issue date for an amount equal to the portion of the issue price of the note attributable to the corresponding Section 1260 Financial Assets and sold such amount of Section 1260 Financial Assets upon the date of sale, exchange, or settlement of the note at fair market value (and appropriately taking into account any leveraged upside exposure). To the extent any gain is treated as long-term capital gain after application of the recharacterization rules of Section 1260 of the Code, such gain would be subject to U.S. federal income tax at the rates that would have been applicable to the net underlying long-term capital gain. United States holders should consult their tax advisors regarding the potential application of Section 1260 of the Code to an investment in the note.

Under Section 1260 of the Code, there is a presumption that the net underlying long-term capital gain is zero (with the result that the recharacterization and interest charge described above would apply to all of the gain from the notes that otherwise would have been long-term capital gain), unless the contrary is demonstrated by clear and convincing evidence. Holders will be responsible for obtaining information necessary to determine the net underlying long-term capital gain with respect to the corresponding Section 1260 Financial Assets, as we do not intend to supply holders with such information. Holders should consult with their tax advisor regarding the application of the constructive ownership transaction to their notes and the calculations necessary to comply with Section 1260 of the Code.

Alternative Treatments

Alternative tax treatments of the notes are also possible and the Internal Revenue Service might assert that a treatment other than that described above is more appropriate. For example, it would be possible to treat the notes, and the Internal Revenue Service might assert that the notes should be treated, as a single debt instrument. Such a debt instrument would be subject to the special tax rules governing contingent payment debt instruments. If the notes are so treated, a United States holder would generally be required to accrue interest currently over the term of the notes irrespective of the interest payments on the notes. In addition, any gain a United States holder might recognize upon the sale or maturity of the notes would be ordinary income and any loss recognized by a holder at such time would be ordinary loss to the extent of interest that same holder included in income in the current or previous taxable years in respect of the notes, and thereafter, would be capital loss.

Because of the absence of authority regarding the appropriate tax characterization of the notes, it is also possible that the Internal Revenue Service could seek to characterize the notes in a manner that results in other tax consequences that are different from those described above. For example, the Internal Revenue Service could possibly assert that any gain or loss that a holder may recognize upon the sale or maturity of the notes should be treated as ordinary gain or loss.

The Internal Revenue Service has released a notice that may affect the taxation of holders of the notes. According to the notice, the Internal Revenue Service and the Treasury Department are actively considering whether the holder of an instrument such as the notes should be required to accrue ordinary income on a current basis irrespective of any interest payments, and they sought taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the notes will ultimately be required to accrue income currently irrespective of any interest payments and this could be applied on a retroactive basis. The Internal Revenue Service and the Treasury Department are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital and

whether the special “constructive ownership rules” of Section 1260 of the Code might be applied to such instruments. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations. We intend to treat the notes for U.S. federal income tax purposes in accordance with the treatment described in this pricing supplement unless and until such time as the Treasury Department and Internal Revenue Service determine that some other treatment is more appropriate.

Backup Withholding and Information Reporting

Please see the discussion under “United States Federal Income Taxation—Other Considerations—Backup Withholding and Information Reporting” in the accompanying prospectus for a description of the applicability of the backup withholding and information reporting rules to payments made on your notes.

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Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act imposes a 30% U.S. withholding tax on certain U.S. source payments, including interest (and OID), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends (“Withholdable Payments”), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the Treasury Department to collect and provide to the Treasury Department substantial information regarding U.S. account holders, including certain account holders that are foreign entities with U.S. owners, with such institution. A note may constitute an account for these purposes. The legislation also generally imposes a withholding tax of 30% on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial U.S. owners or a certification identifying the direct and indirect substantial U.S. owners of the entity.

The U.S. Treasury Department and the IRS have announced that withholding on payments of gross proceeds from a sale or redemption of the notes will only apply to payments made after December 31, 2018. If we determine withholding is appropriate with respect to the notes, we will withhold tax at the applicable statutory rate, and we will not pay any additional amounts in respect of such withholding. Account holders subject to information reporting requirements pursuant to the Foreign Account Tax Compliance Act may include holders of the notes. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing the Foreign Account Tax Compliance Act may be subject to different rules. Holders are urged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in the notes.

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USE OF PROCEEDS AND HEDGING

We will use the net proceeds we receive from the sale of the notes for the purposes we describe in the accompanying prospectus and the accompanying prospectus supplement under “Use of Proceeds.” We or our affiliates may also use those proceeds in transactions intended to hedge our respective obligations under the notes as described below.

We or our affiliates expect to enter into hedging transactions involving, among other transactions, purchases or sales of one or more of the Reference Shares, or listed or over-the-counter options, futures and other instruments linked to the Reference Shares. In addition, from time to time after we issue the notes, we or our affiliates expect to enter into additional hedging transactions and to unwind those we have entered into in connection with the notes. Consequently, with regard to the notes, we or our affiliates from time to time expect to acquire or dispose of the Reference Shares or positions in listed or over-the-counter options, futures or other instruments linked to one or more of the Reference Shares.

We or our affiliates may acquire a long position in securities similar to the notes from time to time and may, in our or their sole discretion, hold, resell or repurchase those securities.

In the future, we or our affiliates expect to close out hedge positions relating to the notes and possibly relating to other securities or instruments with returns linked to one or more of the Reference Shares. We expect these steps to involve sales of instruments linked to the Reference Shares on or shortly before the applicable valuation dates. These steps may also involve transactions of the type contemplated above. Notwithstanding the above, we are permitted to and may choose to hedge in any manner not stated above; similarly, we may elect not to enter into any such transactions. Investors will not have knowledge about our hedging positions.

We have no obligation to engage in any manner of hedging activity and will do so solely at our discretion and for our own account. No holder of any notes will have any rights or interest in our hedging activity or any positions we or any counterparty may take in connection with our hedging activity.

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SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We, either ourselves or through BMOCM as agent, have entered into an arrangement with Raymond James, whereby Raymond James will act as a dealer in connection with the distribution of the notes. Such distribution may occur on or subsequent to the Issue Date. The notes sold by Raymond James to investors were offered at the issue price of \$1,000 per note. Raymond James will receive the compensation set forth on the cover page of this pricing supplement. Raymond James will also receive licensing fees for its research related to the Reference Shares, as described in "Description of the Reference Shares—Licensing Agreement—Licensing Fees."

We own, directly or indirectly, all of the outstanding equity securities of BMOCM, the agent for this offering. In accordance with FINRA Rule 5121, BMOCM may not make sales in this offering to any of its discretionary accounts without the prior written approval of the customer.

You should not construe the offering of the notes as a recommendation of the merits of acquiring an investment linked to any of the Reference Shares or investment advice, or as to the suitability of an investment in the notes.

We will deliver the notes on a date that is greater than three business days following the first Averaging Date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes more than three business days prior to the issue date will be required to specify alternative settlement arrangements to prevent a failed settlement. BMOCM may, but is not obligated to, make a market in the notes.

BMOCM may, but is not obligated to, make a market in the notes. BMOCM will determine any secondary market prices that it is prepared to offer in its sole discretion.

We may use this pricing supplement in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in market-making transactions in any notes after their initial sale. Unless BMOCM or we inform you otherwise in the confirmation of sale, this pricing supplement is being used by BMOCM in a market-making transaction.

For a period of approximately three months following issuance of the notes, the price, if any, at which we or our affiliates would be willing to buy the notes from investors, and the value that BMOCM may also publish for the notes through one or more financial information vendors and which could be indicated for the notes on any brokerage account statements, will reflect a temporary upward adjustment from our estimated value of the notes that would otherwise be determined and applicable at that time. This temporary upward adjustment represents a portion of (a) the hedging profit that we or our affiliates expect to realize over the term of the notes and (b) the underwriting discount and selling concessions paid in connection with this offering. The amount of this temporary upward adjustment will decline to zero on a straight-line basis over the three-month period.

ADDITIONAL INFORMATION RELATING TO THE ESTIMATED INITIAL VALUE OF THE NOTES

Our estimated initial value of the notes that is set forth on the cover page of this pricing supplement equals the sum of the values of the following hypothetical components:

- a fixed-income debt component with the same tenor as the notes, valued using our internal funding rate for structured notes; and
- one or more derivative transactions relating to the economic terms of the notes.

The internal funding rate used in the determination of the initial estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. The value of these derivative transactions are derived from our internal pricing models. These models are based on interest rates and other factors. As a result, the estimated initial value of the notes on the pricing date was determined based on market conditions on the pricing date.

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EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (each, a “Plan”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan, and whether the investment would involve a prohibited transaction under ERISA or the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans any other plans that are subject to Section 4975 of the Code (also “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S., or other laws (“Similar Laws”).

The acquisition of notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which we or certain of our affiliates is or becomes a party in interest or disqualified person may result in a prohibited transaction under ERISA or Section 4975 of the Code, unless the notes are acquired pursuant to an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or “PTCEs,” that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of notes. These exemptions are PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company general accounts), and PTCE 96-23 (for transactions managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities offered hereby, provided that neither the issuer of notes offered hereby nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “Service Provider Exemption”). Any Plan fiduciary relying on the Service Provider Exemption and purchasing the notes on behalf of a Plan must initially make a determination that (x) the Plan is paying no more than, and is receiving no less than, “adequate consideration” in connection with the transaction and (y) neither we nor any of our affiliates directly or indirectly exercises any discretionary authority or control or renders investment advice with respect to the assets of the Plan which such fiduciary is using to purchase, both of which are necessary preconditions to reliance on the Service Provider Exemption. If we or any of our affiliates provides fiduciary investment management services with respect to a Plan’s acquisition of the notes, the Service Provider Exemption may not be available, and in that case, other exemptive relief would be required as precondition for purchasing the notes. Any Plan fiduciary considering reliance on the Service Provider Exemption is encouraged to consult with counsel regarding the availability of the exemption. There can be no assurance that any of the foregoing exemptions will be available with respect to any particular transaction involving the notes, or that, if an exemption is available, it will cover all aspects of any particular transaction.

Because we or our affiliates may be considered to be a party in interest with respect to many Plans, the notes may not be purchased, held or disposed of by any Plan, unless such purchase, holding or disposition is eligible for exemptive

relief, including relief available under PTCE 96-23, 95-60, 91-38, 90-1, or 84-14 or the Service Provider Exemption, or such purchase, holding or disposition is not otherwise prohibited. Except as otherwise set forth in any applicable pricing supplement, by its purchase of any notes, each purchaser (whether in the case of the initial purchase or in the case of a subsequent transferee) will be deemed to have represented and agreed by its purchase and holding of the notes offered hereby that either (i) it is not and for so long as it holds a note, it will not be a Plan, a Plan Asset Entity, or a Non-ERISA Arrangement, or (ii) its purchase and holding of the notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of such a Non-ERISA Arrangement, under any Similar Laws.

In addition, any purchaser that is a Plan or a Plan Asset Entity or that is acquiring the notes on behalf of a Plan or a Plan Asset Entity, including any fiduciary purchasing on behalf of a Plan or Plan Asset entity, will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the notes that (a) neither we nor any of our respective affiliates or agents are a “fiduciary” (under Section 3(21) of ERISA, or under any final or proposed regulations thereunder, or with respect to a non-ERISA Arrangement under any Similar Laws with respect to the acquisition, holding or disposition of the notes, or as a result of any exercise by us or our affiliates or agents of any rights in connection with the notes, (b) no advice provided by us or any of our affiliates or agents has formed a primary basis for any investment decision by or on behalf of such purchaser in connection with the notes and the transactions contemplated with respect to the notes, and (c) such purchaser recognizes and agrees that any communication from us or any of our affiliates or agents to the purchaser with respect to the notes is not intended by us or any of our affiliates or agents to be impartial investment advice and is rendered in our or our affiliates’ or agents’ capacity as a seller of such notes and not a fiduciary to such purchaser.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing notes on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the Service Provider Exemption or the potential consequences of any purchase or holding under Similar Laws, as applicable. Purchasers of notes have exclusive responsibility for ensuring that their purchase and holding of notes do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

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VALIDITY OF THE NOTES

In the opinion of Osler, Hoskin & Harcourt LLP, the issue and sale of the notes has been duly authorized by all necessary corporate action of the Bank in conformity with the Senior Indenture, and when this pricing supplement has been attached to, and duly notated on, the master note that represents the notes, the notes will have been validly executed and issued and, to the extent validity of the notes is a matter governed by the laws of the Province of Ontario, or the laws of Canada applicable therein, and will be valid obligations of the Bank, subject to the following limitations (i) the enforceability of the Senior Indenture may be limited by the Canada Deposit Insurance Corporation Act (Canada), the Winding-up and Restructuring Act (Canada) and bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors' rights generally; (ii) the enforceability of the Senior Indenture may be limited by equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of a court of competent jurisdiction; (iii) pursuant to the Currency Act (Canada) a judgment by a Canadian court must be awarded in Canadian currency and that such judgment may be based on a rate of exchange in existence on a day other than the day of payment; and (iv) the enforceability of the Senior Indenture will be subject to the limitations contained in the Limitations Act, 2002 (Ontario), and such counsel expresses no opinion as to whether a court may find any provision of the Senior Debt Indenture to be unenforceable as an attempt to vary or exclude a limitation period under that Act. This opinion is given as of the date hereof and is limited to the laws of the Provinces of Ontario and the federal laws of Canada applicable thereto. In addition, this opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 2, 2014, which has been filed as Exhibit 5.1 to Bank of Montreal's Form 6-K filed with the SEC on July 3, 2014.

In the opinion of Morrison & Foerster LLP, when the pricing supplement has been attached to, and duly notated on, the master note that represents the notes, and the notes have been issued and sold as contemplated by the prospectus supplement and the prospectus, the notes will be valid, binding and enforceable obligations of Bank of Montreal, entitled to the benefits of the Indenture, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith). This opinion is given as of the date hereof and is limited to the laws of the State of New York. This opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and to such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the legal opinion dated July 2, 2014, which has been filed as Exhibit 5.2 to the Bank's Form 6-K filed on July 3, 2014.