

SUPPLEMENT

MORGAN STANLEY B.V.

as issuer
(incorporated with limited liability in The Netherlands)

Morgan Stanley

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

**Issue by Morgan Stanley B.V. of up to SEK 200,000,000 Equity Linked Redemption Notes due 2019
(the “SA020 Notes”) (ISIN: SE0007703152)**

**Issue by Morgan Stanley B.V. of up to SEK 200,000,000 Equity Linked Redemption Notes due 2020
(the “SA021 Notes”) (ISIN: SE0007703160)**

**Issue by Morgan Stanley B.V. of up to SEK 200,000,000 Equity Linked Notes due 2024
(the “SA022 Notes”) (ISIN: SE0007704770)**

**Issue by Morgan Stanley B.V. of up to SEK 200,000,000 Equity Linked Notes due 2021
(the “SA023 Notes”) (ISIN: SE0007704994)**

**Issue by Morgan Stanley B.V. of up to SEK 200,000,000 Index Linked Redemption Notes due 2021
(the “SA024 Notes”) (ISIN: SE0007703285)**

**Issue by Morgan Stanley B.V. of up to SEK 200,000,000 FX Basket Linked Notes due 2019
(the “SA025 Notes”) (ISIN: SE0007704796)**

Morgan Stanley B.V. (“MSBV”, the “**Issuer**”) and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this supplement (the “**Supplement**”) to supplement and be read in conjunction with:

- (i) in respect of the SA020 Notes, the prospectus dated 23 November 2015 (the “**SA020 Prospectus**”);
- (ii) in respect of the SA021 Notes, the prospectus dated 23 November 2015 (the “**SA021 Prospectus**”);
- (iii) in respect of the SA022 Notes, the prospectus dated 23 November 2015 (the “**SA022 Prospectus**”);
- (iv) in respect of the SA023 Notes, the prospectus dated 25 November 2015 (the “**SA023 Prospectus**”);
- (v) in respect of the SA024 Notes, the prospectus dated 23 November 2015 (the “**SA024 Prospectus**”); and
- (vi) in respect of the SA025 Notes, the prospectus dated 23 November 2015 (the “**SA025 Prospectus**” and together with each of the SA020 Prospectus, the SA021 Prospectus, the SA022 Prospectus, the SA023 Prospectus and the SA024, each a “**Prospectus**” and together, the “**Prospectuses**”).

This Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg, as a prospectus supplement issued in compliance with Article 16.1 of the Prospectus Directive and relevant implementing measures in Luxembourg.

Terms defined in the relevant Prospectus shall have the same meaning when used in this Supplement in respect of the relevant Prospectus. To the extent that there is any inconsistency between any statement in this Supplement and any

other statement in, or incorporated by reference in, the relevant Prospectus, the statements in this Supplement will prevail.

The purpose of this Supplement is to disclose changes of the credit rating of Morgan Stanley by Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Ratings Services.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses dated 10 June 2005, investors who have agreed to purchase or subscribe for, or have applied to purchase or subscribe for, any of the SA020 Notes, the SA021 Notes, the SA022 Notes, the SA023 Notes, the SA024 Notes or the SA025 Notes prior to the publication of this Supplement shall have the right, exercisable within two Business Days following the date of publication of this Supplement, to withdraw their acceptances or applications by notice in writing to the relevant Issuer or Manager, as the case may be. The final date within which such right of withdrawal must be exercised is 10 December 2015.

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

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the relevant Prospectus has arisen since the publication of the relevant Prospectus.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuers and the Guarantor (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement is available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents. This Supplement is also available on Morgan Stanley's website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

8 December 2015

MORGAN STANLEY

MORGAN STANLEY B.V.

AMENDMENTS TO THE PROSPECTUSES

The Prospectuses are each hereby amended as follows:

On each of:

- (i) page 43 of the SA020 Prospectus;
- (ii) page 44 of the SA021 Prospectus;
- (iii) page 50 of the SA022 Prospectus;
- (iv) page 48 of the SA023 Prospectus;
- (v) page 44 of the SA024 Prospectus; and
- (vi) page 45 of the SA025 Prospectus

the second paragraph of the section entitled “Ratings” shall be deemed to be deleted in its entirety and replaced by the following:

“With effect from 2 December and as at 8 December 2015, Morgan Stanley's short-term and long-term debt has been respectively rated (i) R-1 (middle) and A (high), with a stable outlook, by Dominion Bond Rating Service Limited. (“**DBRS**”), (ii) F1 and A, with a stable outlook, by Fitch Ratings, Inc. (“**Fitch**”), (iii) P-2 and A3, with a stable outlook, by Moody's Investors Service, Inc. (“**Moody's**”), (iv) a-1 and A-, with a stable outlook, by Ratings and Investment Information, Inc. (“**R&I**”) and (v) A-2 and BBB+, with a stable outlook, by Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Ratings Services (“**S&P**”).”