MORGAN STANLEY
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September 14, 2018

September 2018

Preliminary Terms No. 995

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

Dated September 13, 2018

Filed pursuant to Rule 433

Morgan Stanley Finance LLC

Structured Investments

Opportunities in U.S. Equities

Inverse Knock-Out Notes due March 17, 2020

Based on the Value of the S&P 500® Index

Fully and Unconditionally Guaranteed by Morgan Stanley

The notes are unsecured obligations of Morgan Stanley Finance LLC ("MSFL") and are fully and unconditionally guaranteed by Morgan Stanley. The notes will pay no interest and will have the terms described in the accompanying product supplement, index supplement and prospectus, as supplemented and modified by this document. At maturity, if the arithmetic average of the index closing values of the underlying index on each of the five averaging dates (the "final index value") is greater than or equal to the initial index value, we will pay per note a payment at maturity of only $1,000, without any positive return on the notes. If the final index value is less than the initial index value **and** greater than or equal to the knock-out level, which is 72.55% of the initial index value, meaning that the index has declined but by no more than 27.45%, we will pay per note the stated principal amount plus a positive return equal to the absolute value of the percentage decline, which will effectively be limited to a positive return of 27.45%. However, if the final index value is less than the knock-out level, we will pay per note only the stated principal amount of $1,000, without any positive return on the notes. The notes are for investors who are concerned about principal risk but seek an equity index-based return, determined as set forth herein, and who are willing to forgo current income in exchange for the repayment of principal at maturity plus the possibility of receiving a return based on a limited range of depreciation of the underlying index. The notes 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 notes 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.

Summary Terms

Issuer:	Morgan Stanley Finance LLC
Guarantor:	Morgan Stanley

Issue price:	$1,000 per note
Stated principal amount:	$1,000 per note
Aggregate principal amount:	$
Pricing date:	September 13, 2018
Original issue date:	September 18, 2018 (3 business days after the pricing date)
Maturity date:	March 17, 2020
Interest:	None
Underlying index:	S&P 500® Index
Payment at maturity:	The payment due at maturity per $1,000 stated principal amount will equal: · If the final index value is *greater than or equal to* the initial index value: $1,000 · If the final index value is *less than* the initial index value **and** *greater than or equal to* the knock-out level: $1,000 + ($1,000 x bearish index return) *In this scenario, you will receive a 1% positive return on the notes for each 1% negative return on the underlying index. In no event will this amount exceed the stated principal amount plus $274.50.* · If the final index value is *less than* the knock-out level: $1,000
Initial index value:	2,888.92, which is the index closing value on September 12, 2018
Final index value:	The arithmetic average of the index closing values on each of the five averaging dates
Knock-out level:	2,095.91, which is approximately 72.55% of the initial index value
Bearish index return:	(initial index value – final index value) initial index value
Averaging dates:	March 6, 2020, March 9, 2020, March 10, 2020, March 11, 2020 and March 12, 2020, subject to postponement for non-index business days and certain market disruption events
CUSIP:	61768DEU5
ISIN:	US61768DEU54
Listing:	The notes will not be listed on any securities exchange.
Agent:	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.”
Estimated value on the pricing date:	Approximately $980.60 per note, or within $10.00 of that estimate. See “Investment Summary” beginning on page 2.
Commissions and issue price:	Price to public[(1)] Agent’s commissions and fees[(2)]

			Proceeds to us[3]
Per note	$1,000	$12.50	$987.50
Total	$	$	$

(1) J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A. will act as placement agents for the notes. The placement agents will forgo fees for sales to certain fiduciary accounts. The total fees represent the amount that the placement agents receive from sales to accounts other than such fiduciary accounts. The placement agents will receive a fee from the Issuer or one of its affiliates that will not exceed $12.50 per $1,000 stated principal amount of notes.

(2) Please see "Supplemental information regarding plan of distribution; conflicts of interest" in these preliminary terms for information about fees and commissions.

(3) See "Use of proceeds and hedging" on page 11.

The notes involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 5.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these notes, 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 notes 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 Notes" 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 Equity-Linked Notes dated November 16, 2017 **Index Supplement dated November 16, 2017**

Prospectus dated November 16, 2017

MORGAN STANLEY

Morgan Stanley Finance LLC

Inverse Knock-Out Notes due March 17, 2020

Based on the Value of the S&P 500® Index

Investment Summary

Inverse Knock-Out Notes

The Inverse Knock-Out Notes due March 17, 2020 Based on the Value of the S&P 500® Index (the “notes”) offer a positive return for a limited range of depreciation of the underlying index. The notes provide investors:

§ an opportunity to gain 1-to-1 upside exposure for a limited range of depreciation of the S&P 500® Index

§ the repayment of principal at maturity, subject to our creditworthiness

At maturity, if the final index value is greater than or equal to the initial index value or less than the knock-out level, you will receive only the stated principal amount of $1,000 per note, without any positive return on your investment. All payments on the notes, including the repayment of principal at maturity, are subject to our credit risk.

Maturity:	Approximately 1.5 years
Knock-out level:	72.55% of the initial index value
Interest:	None

The original issue price of each note is $1,000. This price includes costs associated with issuing, selling, structuring and hedging the notes, which are borne by you, and, consequently, the estimated value of the notes on the pricing date will be less than $1,000. We estimate that the value of each note on the pricing date will be approximately $980.60, or within $10.00 of that estimate. Our estimate of the value of the notes as determined on the pricing date will be set forth in the final pricing supplement.

What goes into the estimated value on the pricing date?

In valuing the notes on the pricing date, we take into account that the notes comprise both a debt component and a performance-based component linked to the underlying index. The estimated value of the notes is determined using

our own pricing and valuation models, market inputs and assumptions relating to the underlying index, instruments based on the underlying index, 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 notes?

In determining the economic terms of the notes, including the knock-out level, 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 notes 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 notes?

The price at which MS & Co. purchases the notes in the secondary market, absent changes in market conditions, including those related to the underlying index, 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 notes are not fully deducted upon issuance, for a period of up to 6 months following the issue date, to the extent that MS & Co. may buy or sell the notes in the secondary market, absent changes in market conditions, including those related to the underlying index, 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 notes, and, if it once chooses to make a market, may cease doing so at any time.

Morgan Stanley Finance LLC

Inverse Knock-Out Notes due March 17, 2020

Based on the Value of the S&P 500® Index

Key Investment Rationale

Inverse Knock-Out Notes offer investors potential upside exposure to a limited range of depreciation of the underlying index. They are for investors who are concerned about principal risk but seek an equity index-based return, determined as set forth herein, and who are willing to forgo current income in exchange for the repayment of principal at maturity plus the possibility of receiving a return based on a limited range of depreciation of the underlying index.

Inverse (Bearish) Return Feature	The notes offer investors 1-to-1 upside exposure to a limited range of depreciation of the underlying index, as measured on the five averaging dates, if the final index value is less than the initial index value **and** greater than or equal to the knock-out level.
Inverse (Bearish) Return Scenario	The final index value is less than the initial index value **and** greater than or equal to the knock-out level, and, at maturity, the notes pay a 1% positive return for each 1% negative return on the underlying index. The maximum return you may receive in this scenario is a positive 27.45% return at maturity.
Par Scenarios	The final index value is greater than or equal to the initial index value or less than the knock-out level, and, at maturity, the notes pay only $1,000 per stated principal amount, without any positive return on the investment.

Morgan Stanley Finance LLC

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Hypothetical Payout on the Notes

At maturity, if the arithmetic average of the index closing values of the underlying index on each of the five averaging dates (the "final index value") is greater than or equal to the initial index value or less than the knock-out level, we will pay per note a payment at maturity of $1,000. If the final index value is less than the initial index value **and** greater than or equal to the knock-out level, which is 72.55% of the initial index value, meaning that the index has declined but by no more than 27.45%, we will pay per note the stated principal amount plus a positive return equal to the absolute value of the percentage decline, which will effectively be limited to a positive return of 27.45%.

The table below illustrates the payment at maturity for each note for a hypothetical range of performance of the underlying index and does not cover the complete range of possible payouts at maturity. The table assumes a hypothetical initial index value of 2,700. The actual initial index value is set forth on the cover of this document.

Final index value	Percentage change from initial index value to final index value	Bearish index return	Payment at maturity	Return on $1,000 note
4,590.00	70.00%	N/A	$1,000	0.00%
4,320.00	60.00%	N/A	$1,000	0.00%
4,050.00	50.00%	N/A	$1,000	0.00%
3,780.00	40.00%	N/A	$1,000	0.00%
3,510.00	30.00%	N/A	$1,000	0.00%
3,240.00	20.00%	N/A	$1,000	0.00%
2,970.00	10.00%	N/A	$1,000	0.00%
2,700.00	0.00%	N/A	$1,000	0.00%
2,673.00	-1.00%	1.00%	$1,010	1.00%
2,565.00	-5.00%	5.00%	$1,050	5.00%
2,430.00	-10.00%	10.00%	$1,100	10.00%
2,160.00	-20.00%	20.00%	$1,200	20.00%
1,958.85	-27.45%	27.45%	$1,274.50	27.45%
1,944.00	-28.00%	N/A	$1,000	0.00%
1,890.00	-30.00%	N/A	$1,000	0.00%
1,620.00	-40.00%	N/A	$1,000	0.00%
1,350.00	-50.00%	N/A	$1,000	0.00%
1,080.00	-60.00%	N/A	$1,000	0.00%