

MIFID II PRODUCT GOVERNANCE/ RETAIL INVESTORS/ PROFESSIONAL INVESTORS AND ECPS TARGET MARKET:

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS AND RETAIL CLIENTS, EACH AS DEFINED IN MIFID II; AND
- (B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

Final Terms dated 30 December 2020

MORGAN STANLEY FINANCE LLC

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

Issue of ZAR 20,000,000 Zero Coupon Notes

Guaranteed by Morgan Stanley

under the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates

PART A – CONTRACTUAL TERMS

This document constitutes Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Base Prospectus dated 16 July 2020 and the supplements dated 29 July 2020, 18 August 2020, 14 October 2020, 23 October 2020 and 17 November 2020 to the Base Prospectus which together constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. However, a summary of the Issue is annexed to these Final Terms. Copies of the Base Prospectus and any supplement(s) thereto are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA and on the Issuers' website at <http://sp.morganstanley.com/EU/Documents> and copies of the Base Prospectus and any supplement(s) thereto and these Final Terms are available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

- 1. (i) Series Number: K0246
- (ii) Series Designation: Series A
- (iii) Tranche Number: 1
- 2. Specified Currency or Currencies: South African Rand ("ZAR")

3. Aggregate Nominal Amount of the Notes: ZAR 20,000,000
- (i) Series: ZAR 20,000,000
- (ii) Tranche: ZAR 20,000,000
4. Issue Price 29.823648 per cent. of par per Note
5. (i) Specified Denominations (Par): ZAR 20,000.
- (ii) Calculation Amount: ZAR 20,000.
6. (i) Issue Date: 30 December 2020.
- (ii) Interest Commencement Date: Not Applicable
7. Maturity Date: Scheduled Maturity Date is 30 December 2035.
8. Specified Day(s): Not Applicable
9. (i) Supplementary Provisions for Belgian Securities: Not Applicable
- (ii) Minimum Redemption Amount: Not Applicable
10. Strike Date: Not Applicable
11. Interest Basis: Zero Coupon
12. Redemption/Payment Basis: Paragraph 1.15 (*Redemption at Maturity*) of Section 2 of the Additional Conditions is applicable.
- Specified Rate: 100 per cent.
13. Put/Call Options:
- (i) Redemption at the option of the Issuer: Not Applicable
- (General Condition 16.5)
- (ii) Redemption at the option of the Noteholders: Not Applicable
- (General Condition 16.7)
14. Automatic Change of Interest Basis: Not Applicable

15. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** Not Applicable

17. **Floating Rate Note Provisions** Not Applicable

18. **Range Accrual Notes:** Not Applicable

19. **Barrier Notes:** Not Applicable

20. **Steepener Notes:** Not Applicable

21. **Digital Option Notes:** Not Applicable

22. **Inverse Floater Notes:** Not Applicable

23. **Switchable Notes:** Not Applicable

24. **Zero Coupon Note Provisions** Applicable

(General Condition 7)

(i) Accrual Yield: 8.40 per cent. per annum

(ii) Reference Price: 29.823648 per cent.

PROVISIONS RELATING TO REDEMPTION

25. **Call Option** Not Applicable

26. **Put Option** Not Applicable

27. (i) **Early Redemption Amount upon Event of Default** (General Condition 21): An amount per Calculation Amount determined by the Determination Agent in accordance with General Condition 16.8 (*Early Redemption of Zero Coupon Notes*). For these purposes, the Accrual Yield is 8.40 per cent. and the Reference Price is 29.823648 per cent.

(ii) **Early Redemption Amount (Tax) upon redemption pursuant to Condition 16.2** (*Tax Redemption – Morgan Stanley and MSFL Notes*). As per item 27(i) above.

28. **Inconvertibility Event Provisions:** Not Applicable

29. **Automatic Early Redemption Event** Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOES

30. **Form of Notes:** Registered Notes:
(General Condition 3) Global Note Certificate registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates at any time in the limited circumstances described in the Global Note Certificate.
31. **Additional Business Centre(s) or other special provisions relating to Payment Dates:** New York, Johannesburg, London and Taipei
32. **Record Date:** As set out in the General Conditions
33. **Redenomination, renominatisation and reconventioning provisions:** Not Applicable
34. **Taxation:**
- (i) General Condition 20.1: "Additional Amounts" is Not Applicable
- (ii) General Condition 20.3: Implementation of Financial Transaction Tax Event is Not Applicable
35. **CNY Centre:** Not Applicable
36. **Illegality and Regulatory Event:**
(General Condition 22)
- (i) Illegality and Regulatory Event (General Condition 22): Applicable
- (ii) Early Redemption Amount (Illegality and Regulatory Event): As per item 27(i) above.
37. **Relevant Rates Benchmark Discontinuance or Prohibition on use (General Condition 6.17)** Administrator/Benchmark Event: applicable for General Condition 6.17(c): Not Applicable
38. **Index Cancellation or Administrator/ Benchmark Event (General Condition 9.2(b))** Benchmark Trigger Provisions are Not Applicable
Alternative Pre-nominated Index: None
39. **Redemption for Index Adjustment Event:** Benchmark Trigger Provisions are Not Applicable

	(General Condition 9.2(d))	Alternative Pre-nominated Index: None
40.	Merger Event or Tender Offer: (General Condition 9.4(a))	Not Applicable
41.	Nationalisation, Insolvency and Delisting: (General Condition 9.4(b))	Not Applicable
42.	Extraordinary ETF Events: (General Condition 9.5)	Not Applicable
43.	Additional Disruption Events: (General Condition 9.6)	Not Applicable
44.	Partial Lookthrough Depository Receipt Provisions: (General Condition 9.7)	Not Applicable
45.	Full Lookthrough Depository Receipt Provisions: (General Condition 9.8)	Not Applicable
46.	Administrator/Benchmark Events (General Condition 10.4)	Benchmark Trigger Provisions are Not Applicable Alternative Pre-nominated Index: None
47.	Commodity Disruption Events (General Condition 10.6)	Not Applicable
48.	Commodity Index Cancellation or Administrator/Benchmark Event Date (General Condition 10.7(b))	Benchmark Trigger Provisions are Not Applicable Alternative Pre-nominated Index: None
49.	Redemption for Commodity Index Adjustment Event (General Condition 10.7(d))	Benchmark Trigger Provisions are Not Applicable Alternative Pre-nominated Index: None
50.	Additional Disruption Events: (General Condition 10.8)	Not Applicable
51.	Administrator/Benchmark Events (General Condition 11.5)	Not Applicable
52.	Additional Disruption Events: (General Condition 11.6)	Not Applicable
53.	Cessation of Publication (General Condition 12.2)	Not Applicable

54. **Additional Disruption Events:** Not Applicable
(General Condition 12.7)
55. **CNY Disruption Events:** Not Applicable
(General Condition 34)
56. **Substitution of Issuer or Guarantor with non Morgan Stanley Group entities:** Not Applicable
(General Condition 35.2)

DISTRIBUTION

57. (i) If syndicated, names of Managers: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.) Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
58. If non-syndicated, name and address of dealer: Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London, E14 4QA
59. Non-exempt Offer and Offer Period: Not Applicable
60. Total commission and concession: No fees will be paid by the Issuer or Morgan Stanley & Co. International plc, directly or indirectly, in connection with any advised sale of Notes

Taxation

A Non-U.S. Holder (as defined in the Base Prospectus) should review carefully the section entitled "*United States Federal Taxation*" in the Base Prospectus.

Potential Section 871(m) Transaction

Please see paragraph 9 of Part B – Other Information of these Final Terms for additional information regarding withholding under Section 871(m) of the Code.

Signed on behalf of the Issuer:

By

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and admission to Trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market and to be listed on the official list of the Luxembourg Stock Exchange with effect from 30 December 2020.

No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted), will be granted by the Issue Date.

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: A2

Moody's Investors Service, Inc. is not established in the EEA or the United Kingdom but the rating it has given to the Notes is endorsed by *Moody's Investors Service Ltd.*, which is established in the EEA or the United Kingdom and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Moody's have stated that the rating assigned to Notes issued by the Issuer under the Programme reflects the credit profile of Morgan Stanley, since the guarantee is consistent with Moody's principles for credit substitution (Rating Transactions Based on the Credit Substitution Approach: Letter of Credit backed, Insured and Guaranteed Debts, 25 May 2017).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The Issuer intends to lend the net proceeds from the sale of the Notes to Morgan Stanley. Morgan Stanley intends to use the proceeds from such loan for general corporate purposes.

(ii) Estimated net proceeds: ZAR 20,000,000

5. OPERATIONAL INFORMATION

ISIN Code:	XS2175210090
Common Code:	217521009
SEDOL:	Not Applicable
CFI:	Not Applicable
FISN:	Not Applicable
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking <i>société anonyme</i> and the relevant identification number(s):	Not Applicable
Delivery:	Delivery free of payment
Names and addresses of initial Paying Agent(s):	The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable.
Intended to be held in a manner which would allow Eurosystem eligibility:	No Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	Not Applicable
Conditions to which the offer is subject:	Not Applicable
Description of the application process:	Not Applicable
Description of possibility to reduce subscriptions and manner	Not Applicable

for refunding excess amount paid by applicants:

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limited for paying up and delivering the Notes: Not Applicable

Manner in and date on which results of the offer are to be made public: Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. None

7. PLACING AND UNDERWRITING

Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place: Not Applicable

Name and address of any paying agents and depository agents in each country: Not Applicable

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" agreements. Where not all of the issue is underwritten, a statement of the portion not covered: Not Applicable

8. **OTHER MARKETS**
- All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading: None
9. **POTENTIAL SECTION 871(m) TRANSACTION** Not Applicable
10. **Prohibition of Sales to EEA and UK Retail Investors:** Not Applicable
11. **Prohibition of Offer to Private Clients in Switzerland** Not Applicable
12. **Details of benchmarks administrators and registration under Benchmarks Regulation:** Not Applicable

ISSUE-SPECIFIC SUMMARY OF THE NOTES

SUMMARY	
A. INTRODUCTION AND WARNINGS	
A.1.1	<i>Name and international securities identifier number (ISIN) of the Notes</i>
Tranche 1 of Series A ZAR 20,000,000 Zero Coupon Notes due 2035 (the " Notes "). ISIN Code: XS2175210090.	
A.1.2	<i>Identity and contact details of the issuer, including its legal entity identifier (LEI)</i>
Morgan Stanley Finance LLC (the " Issuer " or " MSFL ") is incorporated under the laws of the State of Delaware and has its registered office at The Corporation Trust Center, 1209 Orange Street Wilmington, Delaware 19801, U.S.A. MSFL's legal entity identifier (LEI) is 5493003FCPSE9RKT4B56.	
A.1.3	<i>Identity and contact details of the competent authority approving the Base Prospectus</i>
The Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier (CSSF) as competent authority, whose postal address is 283, Route, d'Arlon, L-2991 Luxembourg, telephone number (+352) 26 251 - 2601, in accordance with Regulation (EU) 2017/1129 (the " Prospectus Regulation ").	
A.1.4	<i>Date of approval of the Base Prospectus</i>
The Base Prospectus was approved on 16 July 2020.	
A.1.5	<i>Warning</i>
This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital and, where any investor's liability is not limited to the amount of the investment, it could lose more than the invested capital. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or if it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.	
B. KEY INFORMATION ON THE ISSUER	
B.1	<i>Who is the issuer of the Notes?</i>
B.1.1	<i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation</i>
MSFL is a wholly-owned finance subsidiary of Morgan Stanley and a limited liability company formed pursuant to the Delaware Limited Liability Company Act. MSFL's principal place of business is 1585 Broadway, New York, NY 10036. MSFL is formed under, and subject to, the laws of the state of Delaware, United States. MSFL's legal entity identifier (LEI) is 5493003FCPSE9RKT4B56.	
B.1.2	<i>Principal activities</i>
MSFL's principal activity is the issuance of securities.	
B.1.3	<i>Major Shareholders</i>
MSFL is ultimately controlled by Morgan Stanley.	
B.1.4	<i>Key managing directors</i>
Kevin Woodruff, Nikki Tippins, Joshua Schanzer	
B.1.5	<i>Identity of the statutory auditors</i>
Deloitte & Touche LLP	
B.2	<i>What is the key financial information regarding the Issuer?</i>

The information in respect of the years ended 31 December 2018 and 31 December 2019 set out below is derived from the financial statements in the MSFL 2019 Annual Report for the years ended 31 December 2018 and 31 December 2019. The information in respect of the six months ended 30 June 2019 and 30 June 2020 set out below is derived from the unaudited financial statements included in MSFL's interim financial report for the six months ended 30 June 2019 and 30 June 2020, respectively.

Consolidated Income Statement

<i>In USD (million)</i>	2019	2018	Six months ended 30 June 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)
Total Revenues	64	33	39	28

Balance Sheet

<i>In USD (million)</i>	31 December 2019	31 December 2018	Six months ended 30 June 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)
Borrowings	20,141	12,619	22,755	20,141

Cash Flow Statement

<i>In USD (million)</i>	2019	2018	Six months ended 30 June 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)
Net cash provided by operating activities	487	492	291	159
Net cash provided by financing activities	4,571	5,123	3,382	2,335
Net cash used for investing activities	(5,058)	(5,612)	(3,672)	(2,494)

B.3

What are the key risks that are specific to the Issuer?

- Risk Relating to the Issuer and Guarantor**

MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Notes if they make claims in respect of the Notes 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 outstanding unsecured and unsubordinated obligations of Morgan Stanley present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the Guarantee. Holders of Notes 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.

The following key risks affect Morgan Stanley and, since Morgan Stanley is the ultimate holding company of MSFL, also impact MSFL:

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

Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values. Holding large and concentrated positions may expose Morgan Stanley to losses. These factors may result in losses for a position or portfolio owned by Morgan Stanley. Morgan Stanley's results of operations have been, and will likely continue to be, adversely affected by the COVID-19 pandemic.

Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by a large financial institution could adversely affect financial markets. Such factors

give rise to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley.

Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings. Morgan Stanley is a holding company, has no operations and depends on dividends, distributions and other payments from its subsidiaries. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions. As a result of the foregoing, there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets.

- **Risks relating to the operation of Morgan Stanley's business activities**

Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of its operations or security systems or those of Morgan Stanley's third parties (or third parties thereof), which could adversely affect its businesses or reputation. A cyber-attack, information or security breach or a technology failure could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact its results of operations, liquidity and financial condition, as well as cause reputational harm.

Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk. Further, expected replacement of London Interbank Offered Rate and replacement or reform of other interest rates could adversely affect Morgan Stanley's business, financial condition and results of operations.

- **Legal, Regulatory and Compliance Risk**

Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is also subject to contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. Additionally, Morgan Stanley is subject to anti-money laundering, anti-corruption and terrorist financing rules and regulations.

- **Other risks relating to Morgan Stanley's business activities**

Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further, automated trading markets may adversely affect Morgan Stanley's business and may increase competition.

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations (including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways. The UK's withdrawal from the EU could adversely affect Morgan Stanley.

Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes or strategic alliances.

The application of regulatory requirements and strategies in the United States or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders and subject Morgan Stanley to other restrictions.

C. KEY INFORMATION ON THE NOTES

C.1	<i>What are the main features of the Notes?</i>
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C.1.1	<i>Type, class and ISIN</i>
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The Notes are issued in registered form ("**Registered Notes**") in global certificate form. The ISIN Code of the Notes is XS2175210090.

The Notes are not Notes in respect of which physical settlement may apply or may be elected to apply ("**Cash Settlement Notes**").

The Notes are Zero Coupon Notes.

C.1.2	<i>Currency, denomination, par value, number of Notes issued and duration</i>
<p>The specified currency of the Notes is South African Rand (“ZAR”). The specified denomination of the Notes is ZAR 20,000. The aggregate nominal amount of the Notes is ZAR 20,000,000 and the issue price per Note is 29.823648 per cent. of par. The Notes issued on 30 December 2020 and are scheduled to mature on 30 December 2035. The Notes may redeem earlier if an early redemption event occurs.</p>	
C.1.3	<i>Rights attached to the Notes</i>
<p>Interest: The Notes are Zero Coupon Notes and do not bear any interest.</p> <p>Redemption: Subject to early redemption, the Notes will redeem at par.</p> <p>Repayment Procedure: Payments of principal on the Notes shall be made by cheque drawn in the currency in which the payment is due, or upon application by a noteholder in advance of such payment, by transfer to an account of the noteholder held in the principal financial centre for the relevant currency. While in global form, payments in respect of the Notes shall be made against the presentation and surrender of the global note certificate at the specified office of or to the order of a paying agent.</p> <p>Events of Default: If an Event of Default occurs, the Notes may be redeemed prior to their Maturity Date at the Early Redemption Amount if the Noteholders of not less than 25% in aggregate principal amount of the Notes give written notice to the Issuer declaring the Notes to be immediately due and payable.</p> <p>The Events of Default applicable to the Notes are as follows:</p> <ol style="list-style-type: none"> (1) non-payment of principal (within 30 days of the due date) in respect of the Notes; and (2) the Issuer becomes insolvent or is unable to pay its debts as they fall due, or an administrator or liquidator is appointed in respect of the Issuer or the whole or a substantial part of its undertaking, assets and revenues (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), or the Issuer takes any action for a composition with or for the benefit of its creditors generally, or an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent) and such order or effective resolution has remained in force and has not been rescinded, revoked or set aside for 60 days after the date on which such order is made or effective resolution is passed. <p>Early Redemption Amount: The Notes are Zero Coupon Notes and the Early Redemption Amount payable in respect of any Zero Coupon Note shall be an amount equal to the product of (a) the Calculation Amount of such Note and (b) the Reference Price multiplied by $(1 + \text{Accrual Yield})^n$, where the Calculation Amount is ZAR 20,000, Accrual Yield is 8.40 per cent., Reference Price is 29.823648 per cent. and “n” means the number of years from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Zero Coupon Note becomes due and payable.</p> <p>Governing Law: The Notes will be governed by English law.</p> <p>Limitations to the rights:</p> <p>Prescription. Claims for principal and interest on redemption in respect of the Notes shall become void unless the relevant note certificates are surrendered for payment within 10 years of the due date for payment.</p>	
C.1.4	<i>Rank of the Notes in the Issuer’s capital structure upon insolvency</i>
<p>The Notes constitute direct and general obligations of the Issuer ranking <i>pari passu</i> among themselves.</p>	
C.1.5	<i>Restrictions on free transferability of the Notes</i>
<p>Interests in the Notes will be transferred in accordance with the procedures and regulations of the relevant clearing system, subject to restrictions on sale of the Notes into certain jurisdictions. The Notes cannot be offered or sold in the U.S. or to U.S. persons, nor held in the U.S. or by U.S. Persons at any time. The Notes may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, or any entity whose underlying assets include “plan assets” within the meaning of Section 3(42) of ERISA by reason of any such employee benefit plan’s account’s or plan’s investment therein.</p>	

C.2	Where will the Notes be traded?			
Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange				
C.3	Is there a guarantee attached to the Notes?			
C.3.1	<i>Nature and scope of the Guarantee</i>			
The payment obligations of MSFL in respect of the Notes are unconditionally and irrevocably guaranteed by Morgan Stanley (the “ Guarantor ” or “ Morgan Stanley ”) pursuant to a guarantee dated as of 16 July 2020 (the “ Guarantee ”) which is governed by New York law. The Guarantor’s obligations under the Guarantee constitute direct, general and unsecured obligations of the Guarantor which rank without preference among themselves and <i>pari passu</i> with all other outstanding, unsecured and unsubordinated obligations of the Guarantor, present and future, but in the event of insolvency only to the extent permitted by laws affecting creditors’ rights.				
C.3.2	<i>Brief description of the Guarantor</i>			
Morgan Stanley is incorporated and has its registered address in the U.S.A. Its legal entity identifier is IGJSJL3JD5P30I6NJZ34. The Issuer is a financial holding company and is regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended.				
C.3.3	<i>Key financial information of the Guarantor</i>			
The following selected key financial information relating to Morgan Stanley is extracted from Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2020:				
Consolidated Income Statement				
In USD (million)	2019	2018	Nine months ended 30 September 2020 (unaudited)	Nine months ended 30 September 2019 (unaudited)
<i>Income before provision for income taxes</i>	11,301	11,237	9,988	8,568
Balance Sheet				
In USD (million)	31 December 2019	31 December 2018	30 September 2020 (unaudited)	30 September 2019 (unaudited)
<i>Borrowings</i>	192,627	189,662	203,444	193,659
Cash Flow Statement				
In USD (million)	2019	2018	Nine months ended 30 September 2020 (unaudited)	Nine months ended 30 September 2019 (unaudited)
<i>Net cash provided by (used for) operating activities</i>	40,773	7,305	159	40,909
<i>Net cash provided by (used for) financing activities</i>	(11,966)	24,205	48,925	(21,180)
<i>Net cash provided by (used for) investing activities</i>	(33,561)	(22,881)	(37,438)	(25,721)
C.3.4	<i>Most material risk factors pertaining to the Guarantor</i>			
The most material risk factors pertaining to Morgan Stanley are listed under section B.3 “ <i>What are the key risks that are specific to the Issuer?</i> ” above.				
C.3/4	What are the key risks that are specific to the Notes?			

- Secondary trading of the Notes may be limited. Further, if the Notes are traded via one or more electronic trading systems and these systems become partially or completely unavailable, this would affect the investor's ability to trade the Notes.
- Payments on a Note issued by Morgan Stanley or MSFL may be subject to U.S. withholding tax of 30 per cent. if the beneficial owner of the Note does not meet the criteria for being exempt from this withholding tax, including the requirement that the beneficial owner (and any financial institution holding the Note on behalf of the beneficial owner) complies with certain U.S. tax identification and certification requirements. If withholding is so required, none of the Issuers, the Guarantor or any intermediary will be required to pay any additional amounts with respect to the amounts so withheld.
 U.S. federal tax rules commonly referred to as "FATCA" may impose a withholding tax of 30 per cent. on payments made on the Notes (including payments made by financial intermediaries), unless various U.S. information reporting and due diligence requirements have been satisfied. If withholding is so required, none of the Issuers, the Guarantor or any intermediary will be required to pay any additional amounts with respect to the amounts so withheld.
 U.S. federal tax law may impose a withholding tax of up to 30 per cent. on payments or deemed payments made to non-U.S. persons that are contingent upon or determined directly or indirectly by reference to U.S.-source dividends. If withholding is so required, none of the Issuers, the Guarantor or any intermediary will be required to pay any additional amounts with respect to the amounts so withheld.
 Notes may be redeemed early if the Issuer or Guarantor is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any taxes or such levies.

D. KEY INFORMATION ON THE OFFER OF NOTES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

D.1	<i>Under which conditions and timetable can I invest in the Notes?</i>
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Estimated Expenses charged to the investor by the Issuer or the offeror
 Not applicable. There are no estimated expenses charged to the investor by the Issuer.

D.2	<i>Why has the prospectus been produced?</i>
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Reasons for offer, use and estimated net amount of proceeds
 The estimated net proceeds are ZAR 20,000,000. The Issuer intends to lend the net proceeds from the sale of the Notes to Morgan Stanley. Morgan Stanley intends to use the proceeds from such loan for general corporate purposes.

Conflicts of interest
 Subject to potential conflicts between the investor and Morgan Stanley affiliates when Morgan Stanley and other affiliates or subsidiaries of Morgan Stanley carry out hedging activities or trades, each of the Issuer and Morgan Stanley and do not have interests material to the issue.