

Morgan Stanley

Triple Index Classic Autocall October 2021

Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of UK, US and Australian indices. If on any semi-annual observation date (including the Final Observation date), starting at 12 months, all of the Underlyings are at or above the Autocall Trigger, the investment will autocall. Initial capital plus the coupon for each semi-annual period which has elapsed is paid and the investment will end.

If the investment does not autocall then at the Final Observation date, if all Underlyings are at or above 65% of their initial levels, full capital is returned.

If any Underlying is below 65% of its original level on the Final Observation date, capital return will be reduced on a 1-for-1 basis. For example if the worst performing Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

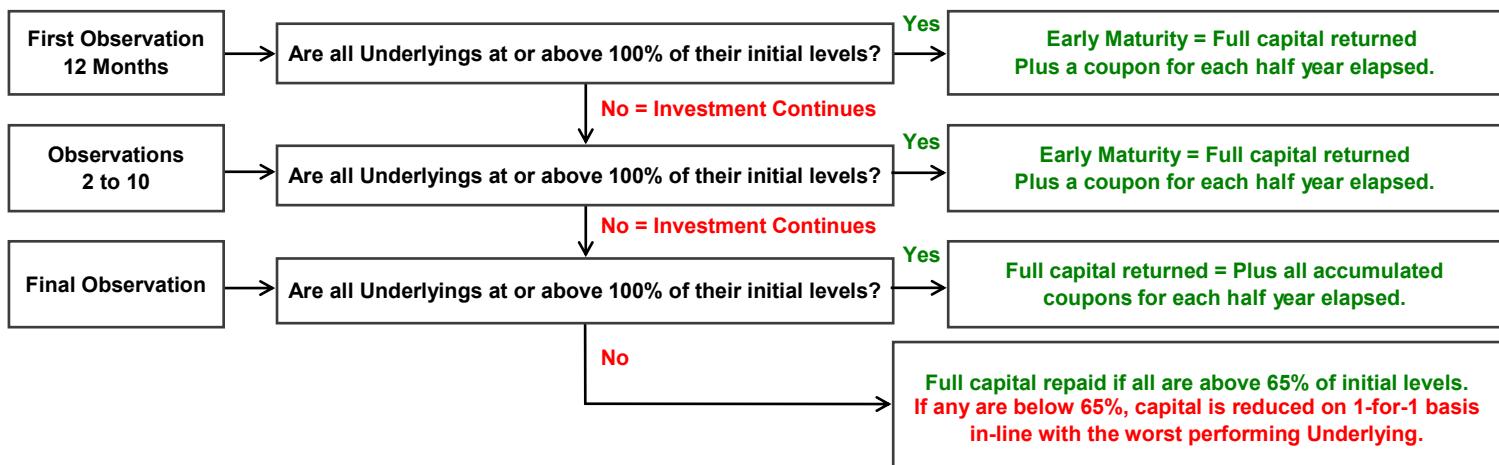
BENEFITS

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth.
- Snowballing coupon.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Minimal market growth needed to deliver enhanced returns.
- Daily pricing.

RISKS

- The return is limited to the pre-defined investment terms.
- The coupon payment is conditional upon the Underlying performance.
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuer's credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell them in the market.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

HOW THE INVESTMENT WORKS



Product Facts & Features

Issuer:	Morgan Stanley B.V.
Guarantor:	Morgan Stanley
Credit Ratings:	Fitch A, Moody's A1, S&P BBB+
Source:	Bloomberg 21.09.2021
Maximum Term:	6 years
Investment Structure:	Classic Autocall
Autocall Opportunities:	Semi-Annual (First Observation at 12 months)
Autocall Trigger:	100% of initial level
Coupon Rate:	GBP = 3.90% Semi-Annually USD = 4.00% Semi-Annually
Capital Risk:	Not capital protected
Capital Protection Barrier:	65% Final level (European style)
Underlying Basket	Bloomberg Code
UK: FTSE 100	UKX Index
US: Dow Jones Ind Average	INDU Index
Australia: S&P/ASX 200	AS51 Index

Key Information

Subscription Period:	21 Sep 2021 – 21 Oct 2021 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	22 October 2021
Issue Date:	29 October 2021
1st Autocall Observation:	24 October 2022
Final Observation:	22 October 2027
Maturity Date:	29 October 2027
Denominations:	1,000 then lots of 1,000
ISIN:	GBP = XS2385489005 USD = XS2385489187

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OBSERVATION DATES (some dates may vary if a bank holiday or non-business day occurs, GBP dates are shown below)

	Observation Date	Payment Date	Autocall Trigger
Observation 1	24 October 2022	31 October 2022	100%
Observation 2	24 April 2023	02 May 2023	100%
Observation 3	23 October 2023	30 October 2023	100%
Observation 4	22 April 2024	29 April 2024	100%
Observation 5	22 October 2024	29 October 2024	100%
Observation 6	22 April 2025	29 April 2025	100%
Observation 7	22 October 2025	29 October 2025	100%
Observation 8	22 April 2026	29 April 2026	100%
Observation 9	22 October 2026	29 October 2026	100%
Observation 10	22 April 2027	29 April 2027	100%
Final Observation	22 October 2027	29 October 2027	100%
Final Observation	22 October 2027	29 October 2027	65% European Barrier

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Morgan Stanley, a bank holding company, provides diversified financial services on a worldwide basis. The Company operates a global securities business which serves individual and institutional investors and investment banking clients. Morgan Stanley also operates a global asset management business.

Source: Bloomberg 21.09.2021

RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

Autocalls have been one of the most popular structures over the years. With a classic autocall, returns are paid if all Underlyings are at or above the autocall trigger on an observation date.

The three Underlyings detailed overleaf have been selected in order to support the anticipated delivery of the coupons.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 65% means an Underlying must fall by more than 35% over 6 years before capital is at risk.

SUITABILITY

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking growth rather than income.
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the coupon payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the Underlyings which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment before maturity, accept that the trading price will likely mean they get back less than they invested.

Placing Trades

Trade orders should be sent to orders@idad.com

All trades will be settled direct with IDAD's Euroclear a/c 44382

Secondary Market

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices").

Sale trades will settle 2 days after the trade date.

Trading details as above.

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THE UNDERLYINGS

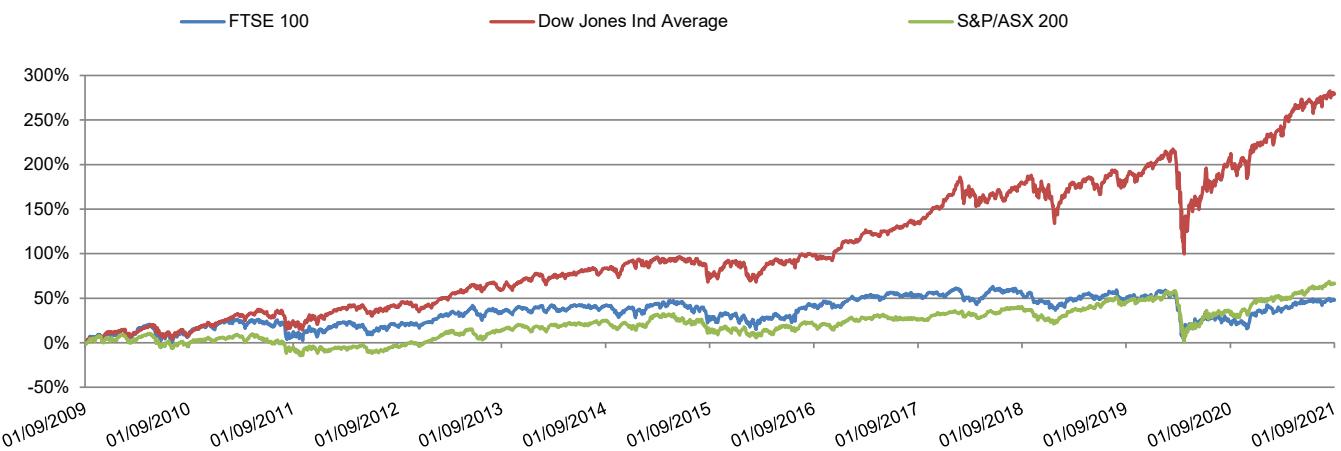
The **FTSE 100 Index** is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

The **Dow Jones Industrial Average** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The **S&P/ASX 200** measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative liquid and tradable, it is widely considered Australia's preeminent benchmark index. The index is float-adjusted. The index was launched in April 2000.

Source: Bloomberg 21.09.2021

MOVEMENT IN THE UNDERLYINGS OVER A 12 YEAR PERIOD



12 YEAR BACK-TESTING

Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations.

Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

This 12 year back-test shows the historical data for a full 6 years of 6 year products that could reach the full term.

Of the 1,501 scenarios tested, 100% would have autocalled paying all coupons. None would reach the full term without autocalling and none would have breached the 65% final level barrier.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
12 Months	805	53.63%	48 Months	14	0.93%
18 Months	144	9.59%	54 Months	0	0.00%
24 Months	211	14.06%	60 Months	0	0.00%
30 Months	193	12.86%	66 Months	0	0.00%
36 Months	79	5.26%	72 Months	0	0.00%
42 Months	55	3.66%	Total	1,501	100.00%

Total Number Tested	% Autocalled	% Not Autocalled	% That Returned Full Capital	% Barrier Breach	Average Historic Return GBP	Average Historic Return USD
1501	100%	0.00%	100%	0.00%	7.80% p.a.	8.00% p.a.

Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks

Source: Bloomberg 21.09.2021, Data period: 01.09.2009 to 01.09.2021 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.



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