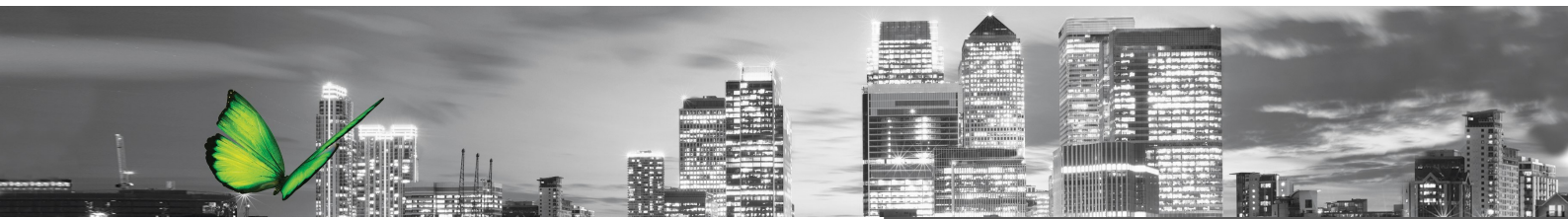


# Morgan Stanley

## Triple Index Low Hurdle Autocall March 2022

### Factsheet



#### INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of European, US and Japanese Indices.

If on any semi-annual early 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 early then at the final observation date, if all Underlyings are at or above 90% of their initial levels, full capital is returned and all of the accumulated coupons are paid (Low Hurdle). If any Underlying is below 90% of its original level but above 65% then full capital is returned.

If any Underlying is below 65% of its original level at maturity, 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.
- The Low Hurdle feature gives an increased chance of gains at full term.
- 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.
- There is a risk to capital should one of the Underlyings breach the capital protection barrier on its Final Observation Date or in the event of an issuer default.
- 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 Issuers 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.

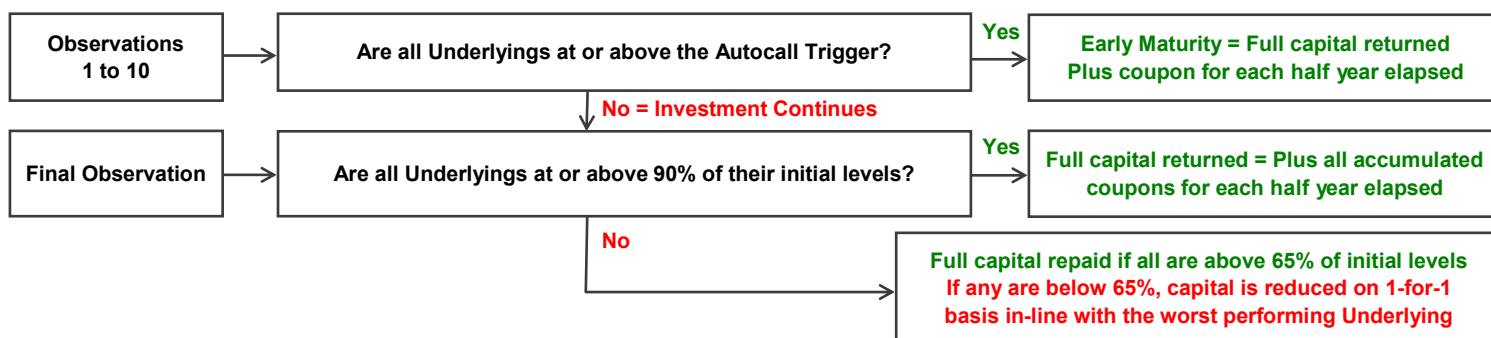
#### Product Facts & Features

<b>Issuer:</b>	Morgan Stanley B.V.
<b>Guarantor:</b>	Morgan Stanley
<b>Credit Ratings:</b>	Fitch A, Moody's A1, S&P BBB+
	<b>Source:</b> Bloomberg 11.02.2022
<b>Maximum Term:</b>	6 years
<b>Investment Structure:</b>	Low Hurdle Autocall
<b>Autocall Opportunities:</b>	Semi-Annual (First observation at 12 months)
<b>Autocall Trigger:</b>	100%
<b>Coupon Rate:</b>	GBP = 4.05% Semi-Annually USD = 4.59% Semi-Annually
<b>Low Hurdle Trigger:</b>	90% of initial level at maturity for all accumulated coupons
<b>Capital Risk:</b>	Not capital protected
<b>Capital Protection Barrier:</b>	65% Final level (European style)
<b>Underlying Basket</b>	<b>Bloomberg Code</b>
Europe: Euro Stoxx 50	SX5E Index
US: Nasdaq 100	NDX Index
Japan: Nikkei 225	NKY Index

#### Key Information

<b>Subscription Period:</b>	11 Feb 2022 - 17 Mar 2022 (4:30pm UK Time)
<b>Issue Price:</b>	100%
<b>Strike Date:</b>	18 March 2022
<b>Issue Date:</b>	25 March 2022
<b>1st Autocall Observation:</b>	20 March 2023
<b>Final Observation:</b>	21 March 2028
<b>Maturity Date:</b>	28 March 2028
<b>Denominations:</b>	1,000 then lots of 1,000
<b>ISIN:</b>	GBP = XS2424809882 USD = XS2424809965

#### HOW THE INVESTMENT WORKS



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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	20 March 2023	27 March 2023	100%
Observation 2	19 September 2023	26 September 2023	100%
Observation 3	18 March 2024	25 March 2024	100%
Observation 4	18 September 2024	25 September 2024	100%
Observation 5	18 March 2025	25 March 2025	100%
Observation 6	18 September 2025	25 September 2025	100%
Observation 7	18 March 2026	25 March 2026	100%
Observation 8	18 September 2026	25 September 2026	100%
Observation 9	18 March 2027	25 March 2027	100%
Observation 10	21 September 2027	28 September 2027	100%
Final Observation	21 March 2028	28 March 2028	90%
Final Observation	21 March 2028	28 March 2028	65% European Barrier

**IDAD** was established in 2002 and our approach from the outset, is what we call the "*IDAD Difference*". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "*IDAD Difference*". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

**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 11.02.2022

## 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, although with a classic autocall, returns are only paid if all Underlyings are at or above the autocall trigger. Adding the 90% Low Hurdle barrier at maturity increases the chances of gains at full term.

The three Underlyings 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.
- Appreciate that the coupon payment is conditional but understand that the Low Hurdle feature can deliver gains at a lower percentage trigger at full term.

## Placing Trades

Trade orders should be sent to [orders@idad.com](mailto: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

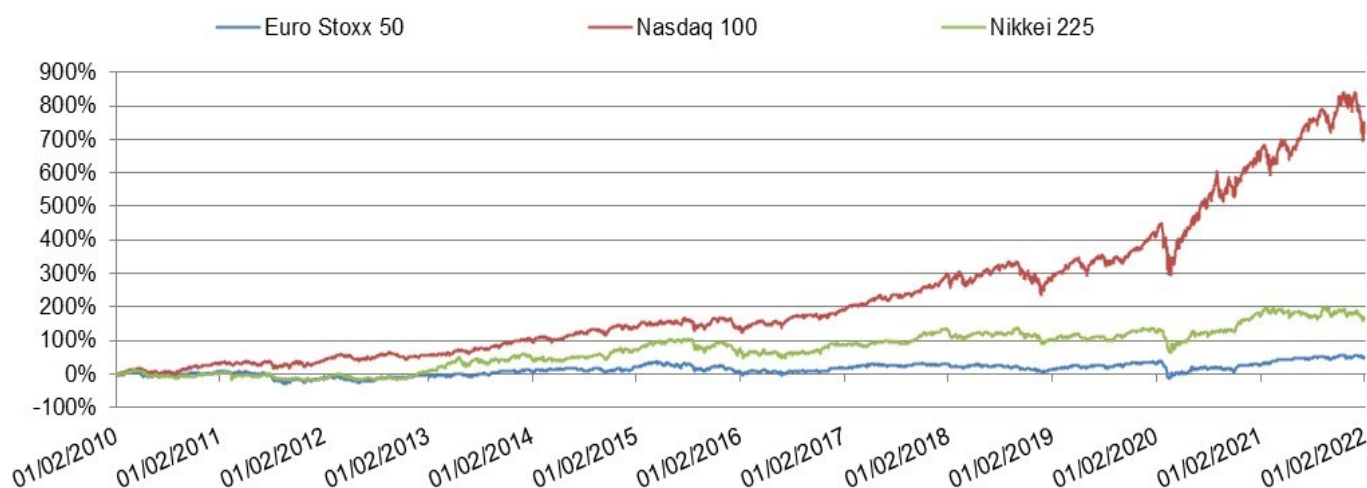
The **EURO STOXX 50 Index**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

The **NASDAQ-100 Index** is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ. No security can have more than a 24% weighting. The index was developed with a base value of 125 as of February 1, 1985. Prior to December 21, 1998 the Nasdaq 100 was a cap-weighted index.

The **Nikkei-225 Stock Average** is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The Nikkei Stock Average was first published on May 16, 1949, where the average price was ¥176.21 with a divisor of 225.

Source: Bloomberg 11.02.2022

#### 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, all would have autocalled paying full coupons.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
<b>12 Months</b>	858	57.16%	<b>48 Months</b>	24	1.60%
<b>18 Months</b>	134	8.93%	<b>54 Months</b>	33	2.20%
<b>24 Months</b>	29	1.93%	<b>60 Months</b>	8	0.53%
<b>30 Months</b>	167	11.13%	<b>66 Months</b>	0	0.00%
<b>36 Months</b>	166	11.06%	<b>72 Months</b>	43	2.86%
<b>42 Months</b>	39	2.60%	<b>Total</b>	1,501	100.00%

Total Number Tested	% Autocalled Early	% To Reach Final Date	Above Low Hurdle	% That Returned Full Capital	% Barrier Breach	Average Historic Return GBP	Average Historic Return USD
1501	97.14%	2.86%	2.86%	100%	0.00%	8.10% p.a.	9.18% 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 11.02.2022, Data period: 01.02.2010 to 01.02.2022 - 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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**2 Rotherbrook Court, Bedford Road, Petersfield, Hampshire. GU32 3QG**  
**1 Cornhill, London EC3V 3ND**  
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