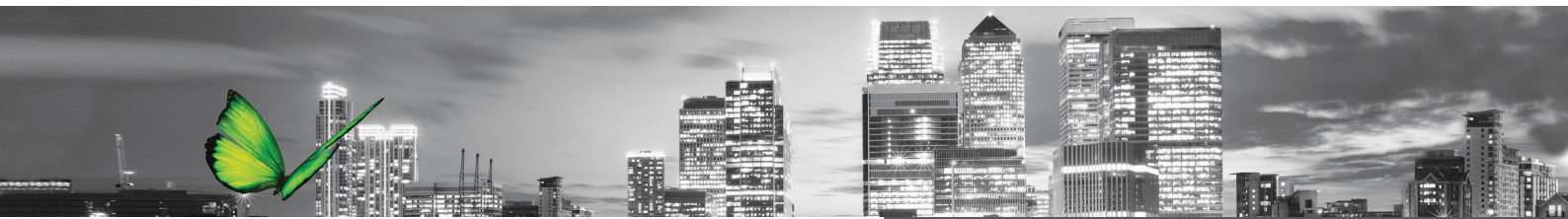


# Morgan Stanley

## Triple Index Low Hurdle Autocall May 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 the Low Hurdle Trigger, full capital is returned and all of the accumulated coupons are paid (Low Hurdle). If any Underlying is below the Low Hurdle Trigger but above the Capital Protection Barrier then full capital is returned.

If any Underlying is below the Capital Protection Barrier 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.

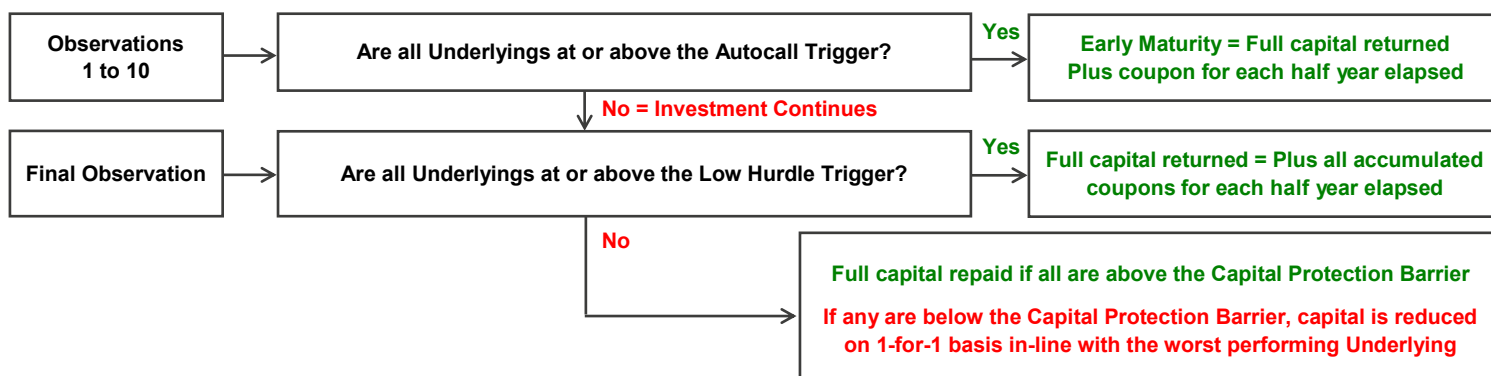
#### Product Facts & Features

|                                    |                                                                 |
|------------------------------------|-----------------------------------------------------------------|
| <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 12.04.2022                             |
| <b>Maximum Term:</b>               | 6 years                                                         |
| <b>Investment Structure:</b>       | Low Hurdle Autocall                                             |
| <b>Autocall Opportunities:</b>     | Semi-Annual<br>(First observation at 12 months)                 |
| <b>Autocall Trigger:</b>           | 100% of initial level                                           |
| <b>Coupon Rate:</b>                | GBP = 4.50% Semi-Annually<br>USD = 5.20% Semi-Annually          |
| <b>Low Hurdle Trigger:</b>         | 90% of initial level at maturity<br>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>      | 12 April 2022 - 12 May 2022<br>(4:30pm UK Time) |
| <b>Issue Price:</b>              | 100%                                            |
| <b>Strike Date:</b>              | 13 May 2022                                     |
| <b>Issue Date:</b>               | 20 May 2022                                     |
| <b>1st Autocall Observation:</b> | 15 May 2023                                     |
| <b>Final Observation:</b>        | 15 May 2028                                     |
| <b>Maturity Date:</b>            | 22 May 2028                                     |
| <b>Denominations:</b>            | 1,000 then lots of 1,000                        |
| <b>ISIN:</b>                     | GBP = XS2425112476<br>USD = XS2425112393        |

#### HOW THE INVESTMENT WORKS



# Morgan Stanley

## Triple Index Low Hurdle Autocall May 2022

### Factsheet



#### 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     | 15 May 2023      | 22 May 2023      | 100%                 |
| Observation 2     | 13 November 2023 | 20 November 2023 | 100%                 |
| Observation 3     | 13 May 2024      | 20 May 2024      | 100%                 |
| Observation 4     | 13 November 2024 | 20 November 2024 | 100%                 |
| Observation 5     | 13 May 2025      | 20 May 2025      | 100%                 |
| Observation 6     | 13 November 2025 | 20 November 2025 | 100%                 |
| Observation 7     | 13 May 2026      | 20 May 2026      | 100%                 |
| Observation 8     | 13 November 2026 | 20 November 2026 | 100%                 |
| Observation 9     | 13 May 2027      | 20 May 2027      | 100%                 |
| Observation 10    | 15 November 2027 | 22 November 2027 | 100%                 |
| Final Observation | 15 May 2028      | 22 May 2028      | 90%                  |
| Final Observation | 15 May 2028      | 22 May 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 12.04.2022

#### 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 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 the term 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.

# Morgan Stanley

## Triple Index Low Hurdle Autocall May 2022

### Factsheet



#### THE UNDERLYINGS

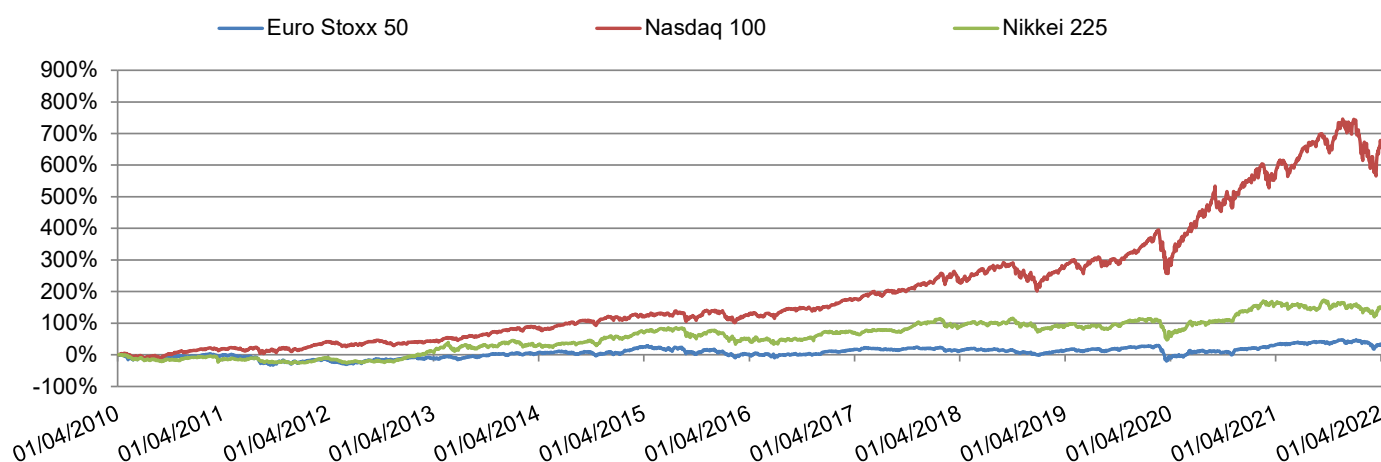
The **EURO STOXX 50 Index**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of 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 12.04.2022

#### 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 | %       |
|---------------|------------|--------|---------------|------------|---------|
| 12 Months     | 875        | 58.29% | 48 Months     | 11         | 0.73%   |
| 18 Months     | 134        | 8.93%  | 54 Months     | 33         | 2.20%   |
| 24 Months     | 29         | 1.93%  | 60 Months     | 8          | 0.53%   |
| 30 Months     | 167        | 11.13% | 66 Months     | 0          | 0.00%   |
| 36 Months     | 166        | 11.06% | 72 Months     | 43         | 2.86%   |
| 42 Months     | 35         | 2.33%  | Total         | 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%            | 8.97% p.a.                  | 10.33% 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 12.04.2022, Data period: 01.04.2010 to 01.04.2022 - 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.

IDAD Limited is Authorised and Regulated by the Financial Conduct Authority FCA FRN 740499. IDAD Africa (Pty) Ltd is an Authorised Financial Services Provider with FSP no: 50937. No part of this publication may be reproduced, copied or distributed without the prior permission in writing of IDAD. All investors should seek advice from a suitably authorised financial adviser and investment must be made via an authorised counterparty.

# Morgan Stanley

## Triple Index Low Hurdle Autocall May 2022

### Factsheet



#### SELLING RESTRICTIONS FOR SECURITIES

The Purchaser of the Securities represents and agrees that the Securities shall not be offered, advertised, sold or otherwise transferred, either directly or indirectly to any person in violation of economic sanctions or wider restrictions applicable to either the Purchaser or the Issuer. The information contained herein does not constitute an offer or invitation to purchase securities (the "Securities") by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering or sale of the Securities may be prohibited or restricted by law in some jurisdictions. The Securities may not be publicly offered, sold or delivered within or from the jurisdiction of any country, except in accordance with the applicable laws and other legal provisions, and provided further that the Issuer does not incur any obligations. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the public offering of the Securities or their possession or the marketing of offering documents related to the Securities legal in such jurisdiction if this requires special measures to be taken.

EEA: The requirements for a public offer in any member state of the European Economic Area ("EEA Member State") are not fulfilled. Consequently, the Securities may not be publicly offered in any of the EEA Member States except as explicitly provided under the prospectus exemptions of Directive 2003/71/EC (as amended by Directive 2010/73/EU, to the extent implemented in a relevant EEA Member State ("2010 Amending Directive"), the "EU Directive") with respect to inter alia (i) an offer of securities addressed solely to qualified investors as defined in the EU Directive, and/or (ii) an offer of securities addressed to fewer than 100, or, if the EEA Member State has implemented the relevant provisions of the 2010 Amending Directive, 150 natural or legal persons per EEA Member State other than qualified investors, and/or (iii) an offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 50,000, or, if the EEA Member State has implemented the relevant provisions of the 2010 Amending Directive, EUR 100,000, and/or (iv) an offer of securities whose denomination per unit amounts to at least EUR 50,000 or, if the Relevant Member State has implemented the relevant provisions of the 2010 Amending Directive, EUR 100,000.

United States of America: This document is not for distribution, directly or indirectly, in or into the United States of America ("United States") or its possessions. This document is not an offer to sell securities, or the solicitation of any offer to buy securities, nor shall there be any offer of securities in the United States or in any jurisdiction in which such offer or sale would be unlawful. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), and may not be offered or sold in the United States absent registration or exemption from registration under the Securities Act.

#### DISCLAIMERS

This factsheet constitutes a financial promotion and has been issued and approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by IDAD Limited which is Authorised and Regulated by the Financial Conduct Authority FCA FRN 740499. All information, including prices, analytical data and opinions contained within this factsheet are believed to be correct, accurate and derived from reliable sources as at the date of the factsheet. The information within this factsheet does not take into account the specific investment objective or financial situation of any person. This material should be read and understood by the investor. If the investor is not a professional client or eligible counterparty as defined by the FCA or is considered a retail investor, they should seek suitable financial advice before investing, to ascertain the full risks and terms associated with the investment. All investments must be made via an authorised counterparty. All rights reserved. No part of this publication may be reproduced, copied or distributed without the prior permission in writing of IDAD. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide for the future. Returns from the structured products are at risk in the event of any of the institutions who provide securities for these products default on their financial obligations.

Fees of up to 0.9167% p.a. for the maximum term of the investment may be paid by the Issuer to cover marketing, distribution and advice costs. The fees have been fully accounted for in the calculation of the Product's structure. For example, this means that an investment of £10,000 will have any income/growth payments and capital protection based on the full £10,000.

Any financial adviser shall fully disclose to its clients the existence, nature and amount of all fees and commissions it receives in respect of sales of the Note. They must also confirm any such fee or commission complies with all applicable laws and regulations in all relevant jurisdictions and its receipt does not conflict with applicable regulation or any duty to act in the best interest of any person to whom the professional financial adviser owes any such duty.

This sales brochure has not been prepared or reviewed by the Issuing Bank, the Issuer of the underlying securities or any of its affiliates and neither Issuing Bank nor any of its affiliates or any of its directors, officers or agents accept any responsibility or liability for the contents of this sales brochure.

**For further information please contact IDAD at:**  
**2 Rotherbrook Court, Bedford Road, Petersfield, Hampshire. GU32 3QG**  
**1 Cornhill, London EC3V 3ND**  
**email: [enquiries@idad.com](mailto:enquiries@idad.com) telephone: +44(0)1730 776757 or visit our website [www.idad.com](http://www.idad.com)**