

Morgan Stanley

Triple Index Classic Autocall May 2022

Factsheet



INVESTMENT DESCRIPTION

A 5 year investment linked to the performance of European, Japanese and UK 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 the Capital Protection Barrier, full capital is returned.

If any Underlying is below the Capital Protection Barrier 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.

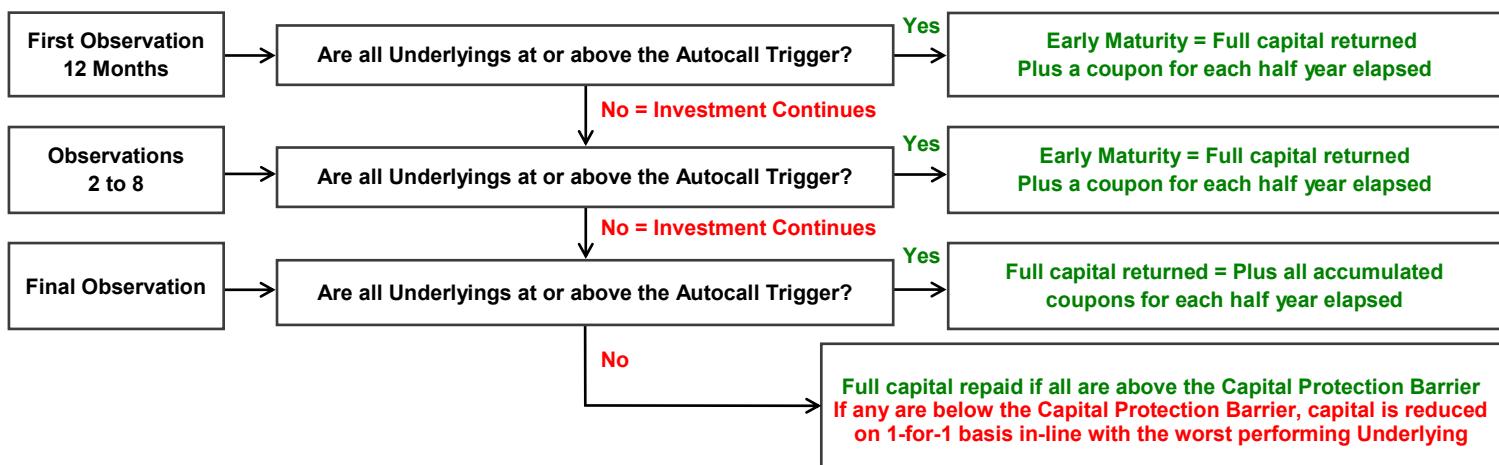
BENEFITS

- 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 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.

HOW THE INVESTMENT WORKS



Product Facts & Features

Issuer:	Morgan Stanley B.V.
Guarantor:	Morgan Stanley
Credit Ratings:	Fitch A, Moody's A1, S&P A-
Source:	Bloomberg 24.05.2022
Maximum Term:	5 years
Investment Structure:	Classic Autocall
Autocall Opportunities:	Semi-Annual (First Observation at 12 months)
Autocall Trigger:	100% of initial level
Coupon Rate:	GBP = 5.10% Semi-Annually (10.20% p.a.) USD = 6.00% Semi-Annually (12.00% p.a.) EUR = 4.125% Semi-Annually (8.25% p.a.)
Capital Risk:	Not capital protected
Capital Protection Barrier:	65% Final level (European style)
Underlying Basket	Bloomberg Code
Europe: Euro Stoxx 50	SX5E Index
Japan: Nikkei 225	NKY Index
UK: FTSE 100	UKX Index

Key Information

Subscription Period:	24 May 2022 – 02 Jun 2022 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	24 May 2022 (Nikkei 225 - 25 May 2022)
Issue Date:	GBP - 09 June 2022 USD - 08 June 2022 EUR - 07 June 2022
1st Autocall Observation:	24 May 2023
Final Observation:	24 May 2027
Maturity Date:	01 June 2027
Denominations:	1,000 then lots of 1,000
ISIN:	GBP = XS2477031012 USD = XS2477031871 EUR = XS2477031954

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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 May 2023	01 June 2023	100%
Observation 2	24 November 2023	01 December 2023	100%
Observation 3	24 May 2024	03 June 2024	100%
Observation 4	25 November 2024	02 December 2024	100%
Observation 5	27 May 2025	03 June 2025	100%
Observation 6	25 November 2025	02 December 2025	100%
Observation 7	26 May 2026	02 June 2026	100%
Observation 8	24 November 2026	01 December 2026	100%
Final Observation	24 May 2027	01 June 2027	100%
Final Observation	24 May 2027	01 June 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 24.05.2022

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. With a classic autocall, returns are paid if all Underlyings are at or above the autocall trigger on an observation date.

The 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 its 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.

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

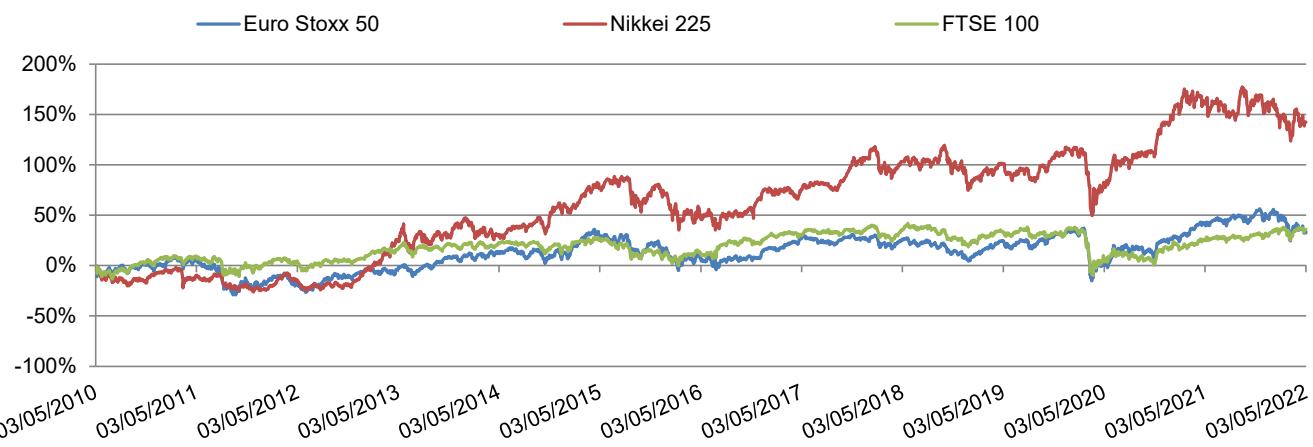
The **EURO STOXX 50 Index**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of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

The **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.

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.

Source: Bloomberg 24.05.2022

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 7 years of 5 year products that could reach the full term.

Of the 1,752 scenarios tested, 96.97% would have autocalled paying all available coupons.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
12 Months	954	54.45%	42 Months	24	1.37%
18 Months	169	9.65%	48 Months	1	0.06%
24 Months	65	3.71%	54 Months	33	1.88%
30 Months	242	13.81%	60 Months	19	1.08%
36 Months	192	10.96%	Total	1,699	96.97%

Total Number Tested	% Autocalled	% Not Autocalled	% That Returned Full Capital	% Barrier Breach	Average Historic Return GBP	Average Historic Return USD	Average Historic Return EUR
1752	96.97%	3.03%	100%	0.00%	9.89% p.a.	11.64% p.a.	7.95% 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 24.05.2022, Data period: 03.05.2010 to 03.05.2022 - 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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