



MORGAN STANLEY US MID CAP AND JAPAN DEFENSIVE AUTOCALL PLAN

MAY 2023 FACTSHEET



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INVESTMENT DESCRIPTION

A 6 year investment product linked to the performance of the Russell 2000 and Nikkei 225 Indices. Initial Levels are the close of business level of the Underlyings on the product Strike Date.

If on any Annual observation date (including the Final Observation date), starting at 24 months, both of the Underlyings are at or above the relevant Autocall Trigger, the investment will autocall. Initial capital plus the Coupon Rate for each annual period which has elapsed is paid and the investment will end.

At the Final Observation date, if both Underlyings are at or above 60% of their Initial Levels, then full capital is returned. If any Underlying is below 60% of its Initial 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 Initial Level, 40% of the capital will be returned.

BENEFITS

- Autocall feature potentially shortens the investment term and can still be triggered in falling markets.
- Snowballing Coupon.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Daily secondary market pricing under normal market conditions.

RISKS

- The return is limited to the pre-defined investment terms.
- The Coupon payment is conditional upon the performance of the Underlyings.
- There is a risk to capital should any Underlying breach the capital protection barrier on its Final Observation date.
- 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.

PRODUCT FACTS & FEATURES

Issuer:	Morgan Stanley B.V.
Guarantor:	Morgan Stanley
Issuer Ratings:	S&P A-, Fitch A+, Moody's A1
Source:	Morgan Stanley 15.03.2023
Maximum Term:	6 years
Investment Structure:	Defensive Autocall
Autocall opportunities:	Annual
Autocall Trigger:	First observation at 24 months 97.50% of Initial Level from 24 months (95%, 92.50%, 87.50%, 85% thereafter)
Coupon Rate:	10.25% p.a.
Issue Price:	100%
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (Observed at maturity only)
Underlyings:	Initial Level
Japan: Nikkei 225 Index	TBC
US: Russell 2000 Index	TBC

KEY INFORMATION

ISIN:	GBP = XS2575523738
Subscription Period:	17 March 2023 – 30 May 2023
Strike Date:	31 May 2023
Issue Date:	14 June 2023
1st Autocall Observation:	30 May 2025
Final Observation:	31 May 2029
Maturity Payment Date:	11 June 2029
Denominations:	Lots of £1
Minimum Investment:	£1,000

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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 15.03.2023

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TARGET RETURN: GBP = 10.25% p.a.

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 have been selected in order to support the anticipated delivery of that growth.

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 60% means any Underlying must fall by more than 40% over 6 years before capital is at risk.

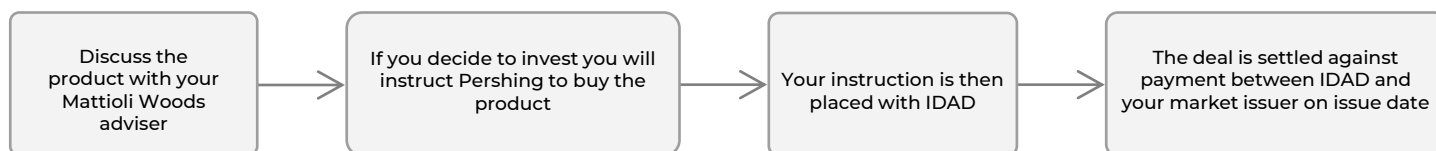
SUITABILITY

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 growth payments.
- Are looking to invest for the 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 growth in the Underlyings which exceeds the fixed level of growth available with this investment product.
- Understand the risk to capital in the event of an Issuer default.
- Accept that the trading price will likely mean they get back less than they invested, should they need to sell their investment.
- Understand that any return is conditional upon the parameters being met for the plan to autocall.

HOW TO INVEST

This product can be traded using Pershing, your chosen custodian that has permissions to trade and settle the product on your behalf. These can range from Pension Providers, Private Banks and Trading Platforms. This should be discussed with your adviser.



Please note that your cash will be in your account with Pershing until the issue date. Settlement then takes place delivery versus payment where the cash will leave your custody account and you will receive your investment holding into your custody account.

FEES AND CHARGES

IDAD will receive a fee from the Issuer for arranging this product. The charge has been fully accounted for in the calculation of the product's structure and is not expected to exceed 1.0%. Therefore this means that an investment of £10,000 will generate growth based on £10,000. There may be separate fees charged by your Financial Adviser and your chosen market Issuer. You should discuss this further with them.

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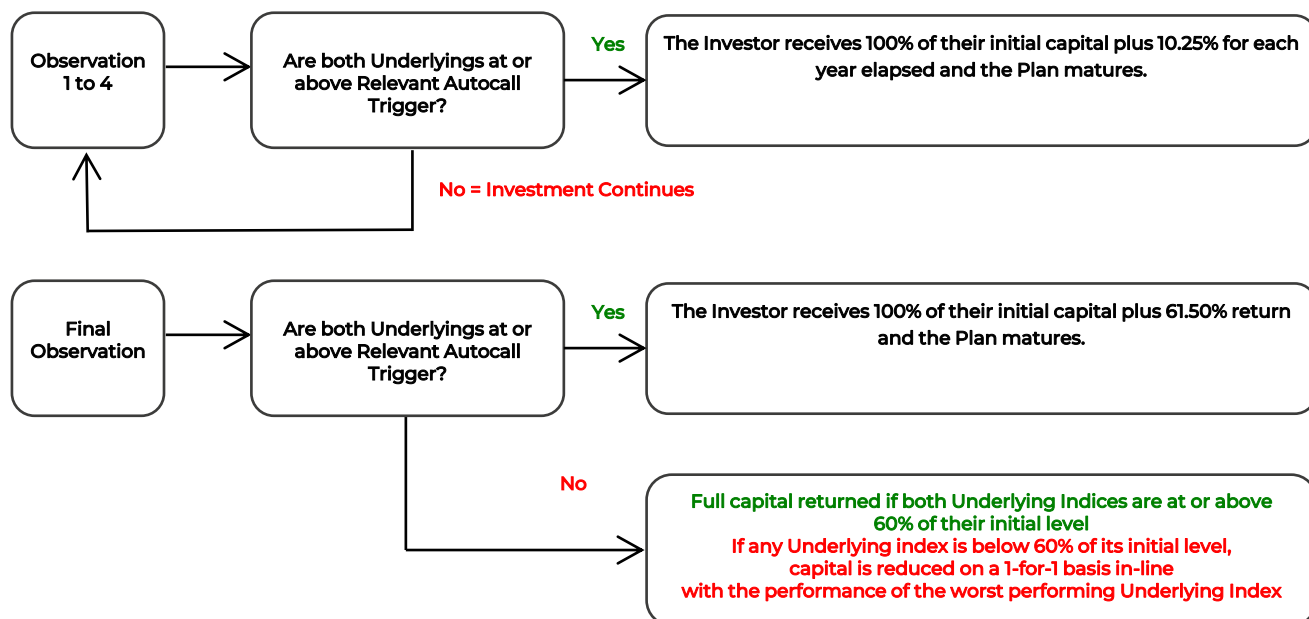
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TARGET RETURN: **GBP = 10.25% p.a.**

OBSERVATION DATES (some dates may vary if a bank holiday or non-business day occurs)

	Observation Date	Payment Date	Autocall Trigger	Return
1	30 May 2025	13 June 2025	97.50%	120.50%
2	29 May 2026	12 June 2026	95.00%	130.75%
3	28 May 2027	14 June 2027	92.50%	141.00%
4	31 May 2028	14 June 2028	87.50%	151.25%
5	31 May 2029	14 June 2029	85.00%	161.50%

HOW THE INVESTMENT WORKS



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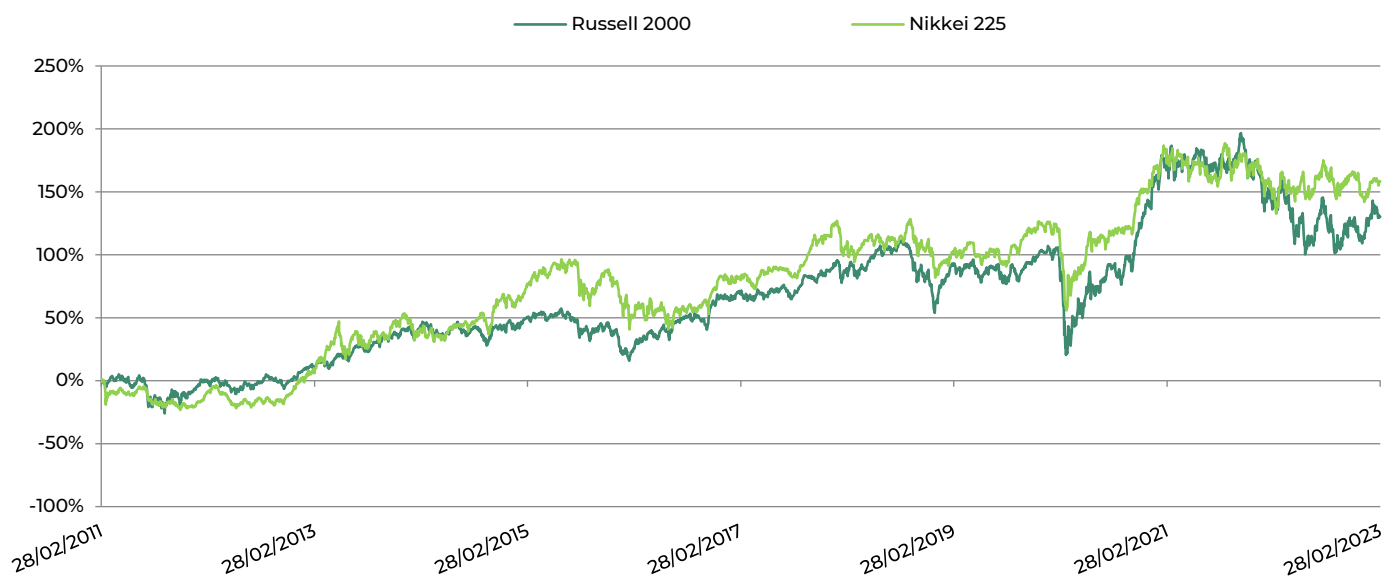
THE UNDERLYINGS

The **Russell 2000** Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

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.

Source: Bloomberg 15.03.2023

MOVEMENT IN THE UNDERLYINGS OVER A 12 YEAR PERIOD



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

Source: Bloomberg 15.03.2023 Data period: 28.02.2011 to 28.02.2023

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.

**TARGET RETURN:** GBP = 10.25% p.a.**RISKS**

All investments carry risk. Prior to investing in one of our structured products you need to make sure you fully understand the risks you are taking and accept the level of risk offered by the plan.

Having read over the product factsheet and these risks, if there are any areas that you are still unsure about, please consult with your financial adviser who will be able to help you.

Issuer Risk

Your money is being used as a form of loan via the issuing bank in exchange for the returns offered by structured product. The bank is legally committed to honour the terms of the plan. It is possible that the Counterparty may go bankrupt or default on their payment.

Market Risk

Underlying Index performance may be volatile and subject to unpredictable changes over the investment term. The value of your investment is affected by movements in the price of these indices and a fall may result in you not receiving any returns, and/or the loss of some or all of your capital. Your investment does not directly invest in the Underlying indices therefore you are not eligible for dividends or voting rights.

Early Redemption Risk

You should be prepared to hold any plan until maturity. It may be possible for you to sell this investment back to the Issuer early; however, they are not obliged to buy it and may stop such purchases at any time without notice. IDAD has no control over this: we act as your settlement agent. If you sell the investment early you may not get back what you initially invested.

Market Disruption Events

It is possible that a market disruption event might occur, such as trading disruption, changes to the indices, changes to index providers or changes in tax legislation. In these circumstances, the Issuer has the right to determine whether any adjustments to the terms of a plan are required. These adjustments may include, but are not limited to: adjustments to the opening or final level of the indices, postponing observation dates and substitution of an index. The Issuer is required to act in good faith when making these adjustments.

Reinvestment Risk

To invest in a structured product, you need to loan your capital to the Issuer for a set length of time. During this period, a rise or fall in interest rates may present other investment opportunities with a greater yield. You may be able to sell this product back to the Issuer if this situation does occur, however, the price the Issuer offer you may be less than you originally paid.

Inflation Risk

The value of your initial capital and any returns you may receive are not linked to inflation. If inflation is high over the term of the product, your purchasing power may decrease and so the real return could be low or negative.

Taxation Risk

Tax legislation may change during the life of the investment. The tax treatment depends on the individual circumstances of each client and is subject to change. IDAD does not provide tax advice and you should seek independent tax advice if in doubt. It is our current understanding that the returns on this note will be subject to capital gains tax. Further information about tax in the UK is available from the government website: www.gov.uk.

FSCS Protection

This product offers no FSCS protection.

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