

# MORGAN STANLEY FUNDSMITH 95% CAPITAL PROTECTED NOTE 20

November 2024



CAUSEWAY  
SECURITIES

This is a 95% capital protected note issued by Morgan Stanley, with participation linked to the performance of an Underlying.

The product term is 6 years.

95% of capital is protected on Maturity, subject to the Issuer not defaulting on their obligations or experiencing a credit event.

95% Capital Protected Notes are designed for investors seeking a high degree of capital protection with an opportunity to participate in the growth of the underlying fund.

Strike Date:	22 November 2024
Issue Date:	2 December 2024
Final Valuation Date:	22 November 2030
Maturity Date:	2 December 2030

## PRODUCT FEATURES

<b>Issuer:</b>	Morgan Stanley B.V.	<b>Underlying:</b>	Fundsmith Equity Fund Sicav T EUR Acc (FSEQFTA LX)
<b>Guarantor:</b>	Morgan Stanley (A1/A+/A-)		
<b>Product Type:</b>	95% Capital Protected Participation Note	<b>Participation:</b>	132% USD of the quarterly arithmetic averaged performance of the Underlying.
<b>Term:</b>	6 years	<b>Capital Protection:</b>	Minimum 95% of capital returned at Maturity

CCY	ISIN	Investment Return	Capital Protection
USD	XS2877438312	132% x quarterly arithmetic averaged performance of FSEQFTA:LX	95%

## INVESTMENT DESCRIPTION

### Description

This 6 year fixed term investment offers 95% capital protection at Maturity irrespective of how the Underlying performs.

At the end of the fixed term, 132% USD of the un-capped growth in the fund is applied to the capital invested. The final growth calculation employs quarterly averaging across the full 6 years of the fixed term, there are 24 averaging dates in total.

### Return at Maturity

At the end of the fixed term;

- If the quarterly arithmetic averaged performance of the Underlying is positive, the Note returns 95% of the invested capital plus 132% USD participation in the performance of the Underlying.
- If the quarterly arithmetic averaged performance of the Underlying is zero or negative, the Note returns 95% of the invested capital.

## ADVANTAGES

- 95% Capital Protection at Maturity unless a Credit Event occurs with the Issuer.
- The final growth has no cap and so the investment benefits from the growth of the Underlying.
- Averaging can reduce the effect of dramatic market falls towards the end of the fixed term. There are 24 quarterly averaging dates in total.

## RISKS

- Repayment of capital and returns at Maturity is subject to the Issuer not defaulting on their obligations or experiencing a credit event.
- In constantly rising markets, averaging can result in reducing the return that would have been payable by investing directly into the fund itself.
- Inflation may have the effect of reducing the value of your investment by Maturity.
- Selling out of the Note early may result in a capital loss. If the Notes are sold or redeemed prior to Maturity, the price will depend on numerous factors, including the volatility of the Underlying, the remaining time to Maturity, interest rates and the perception of the Issuers credit quality, and may be less than the amount initially invested.



## OBSERVATION DATES FOR QUARTERLY ARITHMETIC AVERAGING

Observation Date				
21 February 2025	22 May 2026	20 August 2027	22 November 2028	22 February 2030
22 May 2025	21 August 2026	22 November 2027	22 February 2029	22 May 2030
22 August 2025	20 November 2026	22 February 2028	22 May 2029	22 August 2030
21 November 2025	22 February 2027	22 May 2028	22 August 2029	22 November 2030
20 February 2026	21 May 2027	22 August 2028	21 November 2029	

## PAYOFF DIAGRAM

Potential investment returns based on an initial investment of 100,000 USD:

Quarterly Arithmetic Averaged Performance of the Underlying (compared to the initial index level)	Potential Return (USD)
-50%	\$95,000
-25%	\$95,000
-10%	\$95,000
0%	\$95,000
+10%	\$108,200
+25%	\$128,000
+50%	\$161,000

## THE UNDERLYING

### FUNDSMITH EQUITY FUND SICAV T EUR ACC (FSEQFTA LX)



### THE FUND AT A GLANCE

The Fundsmith Equity Fund Sicav T EUR Acc is an open-end fund incorporated in Luxembourg. The Fund's objective is to achieve long-term growth in value. The Fund invests in equities on a global basis.

Source: Bloomberg, as of 17/09/2024. Past performance is not an indication of future performance.



## SUITABILITY

This note may be suitable for investors who:

- Have received professional financial advice.
- Have a general understanding of financial markets and structured notes.
- Are seeking capital growth.
- Understand that positive return at maturity depends on Underlying performance.
- Are investing for the medium to long-term and can afford to have their cash invested for the full term of the note.
- Realise that if they need to redeem their investment before maturity they may receive back less than initially invested.
- Understand that if the issuer defaults they could lose some or all of their invested capital and no returns.

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**UK Restrictions: Not suitable for UK retail investors**

## CREDIT RATING

	Moody's	Fitch	S&P
Morgan Stanley	A1	A+	A-



## IMPORTANT INFORMATION

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