



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.

|                              |                 |
|------------------------------|-----------------|
| <b>Strike Date:</b>          | 11 October 2024 |
| <b>Issue Date:</b>           | 21 October 2024 |
| <b>Final Valuation Date:</b> | 11 October 2030 |
| <b>Maturity Date:</b>        | 21 October 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>Participation:</b>      | 142% USD of the quarterly arithmetic averaged performance of the Underlying. |
| <b>Product Type:</b> | 95% Capital Protected Participation Note | <b>Capital Protection:</b> | Minimum 95% of capital returned at Maturity                                  |
| <b>Term:</b>         | 6 years                                  |                            |  |

| CCY | ISIN         | Investment Return  | Capital Protection |
|-----|--------------|--|--------------------|
| USD | XS2877263504 | 142% 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, 142% 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 142% 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 |                 |                 |                 |                 |
|------------------|-----------------|-----------------|-----------------|-----------------|
| 10 January 2025  | 10 April 2026   | 9 July 2027     | 11 October 2028 | 11 January 2030 |
| 11 April 2025    | 10 July 2026    | 11 October 2027 | 11 January 2029 | 11 April 2030   |
| 11 July 2025     | 9 October 2026  | 11 January 2028 | 11 April 2029   | 11 July 2030    |
| 10 October 2025  | 11 January 2027 | 11 April 2028   | 11 July 2029    | 11 October 2030 |
| 9 January 2026   | 9 April 2027    | 11 July 2028    | 11 October 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%  | \$109,200              |
| +25%  | \$130,500              |
| +50%  | \$166,000              |

**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 02/09/2024. 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: None**

## CREDIT RATING

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



## IMPORTANT INFORMATION

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