
USD | 2 years | Fixed Coupon Notes

MORGAN STANLEY B.V.

USD 100,000 WORST OF SHARES LINKED NOTES DUE 13 NOVEMBER 2025 (THE "NOTES")

For Non U.S. Persons only

FINAL TERMSHEET

WARNING - THIS IS A STRUCTURED PRODUCT WHICH INVOLVES DERIVATIVES. DO NOT INVEST IN IT UNLESS YOU FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS ASSOCIATED WITH IT. IF YOU ARE IN ANY DOUBT ABOUT THE RISKS INVOLVED IN THE PRODUCT, YOU MAY CLARIFY WITH THE INTERMEDIARY OR SEEK INDEPENDENT PROFESSIONAL ADVICE. ANY INVESTMENT DECISION IS ENTERED INTO AT YOUR OWN RISK.

此為涉及衍生工具的結構性產品。除非閣下完全了解及願意承擔所涉風險，否則切勿投資此產品。閣下如對此產品所涉及風險有疑問，應詢問有關中介人或徵詢獨立專業意見。

THIS PRODUCT AND THE CONTENTS OF THE OFFERING CIRCULAR (AS COMPLETED BY THIS DOCUMENT) HAVE NOT BEEN REVIEWED AND WILL NOT BE REVIEWED BY THE SECURITIES AND FUTURES COMMISSION ("SFC") OR ANY OTHER REGULATORY AUTHORITY IN HONG KONG, SINGAPORE OR ANY OTHER JURISDICTION AND THE PROSPECTIVE INVESTORS ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE NOTES. THIS PRODUCT IS NOT AUTHORISED OR RECOGNIZED BY THE MONETARY AUTHORITY OF SINGAPORE ("MAS") AND THIS PRODUCT IS NOT ALLOWED TO BE OFFERED TO THE RETAIL PUBLIC. THIS TERMSHEET IS NOT A PROSPECTUS AS DEFINED IN THE SECURITIES AND FUTURES ACT 2001 ("SFA") AND, ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF PROSPECTUSES DOES NOT APPLY AND THE OFFEREE SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR HIM. THIS PRODUCT IS NOT REGULATED BY ANY FINANCIAL SUPERVISORY AUTHORITY. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THIS DOCUMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THESE DOCUMENTS YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE NOTES DESCRIBED HEREIN, AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE SUBJECT TO U.S. TAX REQUIREMENTS. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE NOTES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. SEE "*SUBSCRIPTION AND SALE*" AND "*TRANSFER RESTRICTIONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2023. IN PURCHASING THE NOTES, A PURCHASER WILL BE DEEMED TO REPRESENT AND WARRANT THAT IT IS NOT (I) LOCATED IN THE UNITED STATES, (II) A U.S. PERSON, (III) SUBJECT TO U.S. FEDERAL INCOME TAX ON A NET BASIS (A "U.S. TAXPAYER") AND (IV) PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON LOCATED WITHIN THE UNITED STATES, U.S. PERSON OR U.S. TAXPAYER.

THE NOTES ARE NOT RATED.

THE NOTES ARE SENIOR UNSECURED OBLIGATIONS OF MORGAN STANLEY B.V., AND ALL PAYMENTS ON THE NOTES, INCLUDING THE REPAYMENT OF PRINCIPAL, ARE SUBJECT TO THE CREDIT RISK OF MORGAN STANLEY B.V. AND MORGAN STANLEY. THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE

NOTES ECONOMICS

Issuer	Morgan Stanley B.V. (not rated)
Guarantor	Morgan Stanley (Ratings: A- (S&P's), A1 (Moody's), A+ (Fitch))
Dealer	Morgan Stanley & Co. International PLC (" MSI PLC ")
Calculation Agent	MSI PLC
Determination Agent	MSI PLC
Trade Date	25 October 2023
Strike Date	25 October 2023
Issue Date	8 November 2023
Final Valuation Date	10 November 2025
Maturity Date	13 November 2025, subject to adjustment in accordance with the Business Day Convention (i) in the event such date is not a Business Day or (ii) such that the maturity shall always be at least two (2) Business Days following the Final Valuation Date.
Aggregate Notional Amount of the Notes	United States Dollar 100,000 (" USD ")
Specified Denomination	USD 50,000 per Note (" Par ")
Settlement Currency	USD
Issue Price per Note	100%
Initial Price	In respect of any Underlying Share, the Initial Price as set out in the table below.
Strike Price	In respect of any Underlying Share, the Strike Price as set out in the table below, equal to 80% of the Initial Price of such Underlying Share.
Closing Price	In respect of any Underlying Share, on any Scheduled Trading Day, the official closing price of such Underlying Share quoted on the relevant Exchange on that day, as determined by the Calculation Agent.
Observation Period	Each period from and including a Start Date to and including the corresponding End Date, as set out in the Schedule below.
Settlement Date	Each Settlement Date as set out in the Schedule below, subject to adjustment (i) in accordance with the Business Day Convention in the event such date is not a Business Day and (ii) such that a Settlement Date shall always be at least two (2) Business Days following the corresponding Valuation Date.

BASKET OF SHARES (each an "Underlying Share" and together the "Underlying Shares")

k	UNDERLYING SHARE	BLOOMBERG CODE	INITIAL PRICE	STRIKE PRICE	EXCHANGE
1	AIR LIQUIDE	AI FP Equity	EUR 153.7400	EUR 122.9920	Euronext - Euronext Paris
2	AIR PRODS & CHEM	APD UN Equity	USD 276.9600	USD 221.5680	New York Stock Exchange, Inc.
3	NEW LINDE PLC	LIN UN Equity	USD 367.8300	USD 294.2640	New York Stock Exchange, Inc.

SCHEDULE

OBSERVATION PERIOD	START DATE	END DATE	VALUATION DATE	SETTLEMENT DATE
1	8 November 2023	8 December 2023	8 December 2023	12 December 2023
2	11 December 2023	8 January 2024	8 January 2024	10 January 2024
3	9 January 2024	8 February 2024	8 February 2024	12 February 2024
4	9 February 2024	8 March 2024	8 March 2024	12 March 2024
5	11 March 2024	8 April 2024	8 April 2024	10 April 2024
6	9 April 2024	8 May 2024	8 May 2024	10 May 2024
7	9 May 2024	10 June 2024	10 June 2024	12 June 2024
8	11 June 2024	8 July 2024	8 July 2024	10 July 2024
9	9 July 2024	8 August 2024	8 August 2024	12 August 2024
10	9 August 2024	9 September 2024	9 September 2024	11 September 2024
11	10 September 2024	8 October 2024	8 October 2024	10 October 2024
12	9 October 2024	8 November 2024	8 November 2024	13 November 2024
13	11 November 2024	9 December 2024	9 December 2024	11 December 2024
14	10 December 2024	8 January 2025	8 January 2025	10 January 2025
15	9 January 2025	10 February 2025	10 February 2025	12 February 2025
16	11 February 2025	10 March 2025	10 March 2025	12 March 2025
17	11 March 2025	8 April 2025	8 April 2025	10 April 2025
18	9 April 2025	8 May 2025	8 May 2025	12 May 2025
19	9 May 2025	9 June 2025	9 June 2025	11 June 2025
20	10 June 2025	8 July 2025	8 July 2025	10 July 2025
21	9 July 2025	8 August 2025	8 August 2025	12 August 2025
22	11 August 2025	8 September 2025	8 September 2025	10 September 2025
23	9 September 2025	8 October 2025	8 October 2025	10 October 2025
24	9 October 2025	10 November 2025	10 November 2025	13 November 2025

COUPON

Coupon Amount

In respect of each Observation Period, the Issuer will pay each Noteholder a Coupon Amount per Note in USD on the relevant Settlement Date, determined in accordance with the following formula:

$\text{Coupon} \times \text{Par}$

Where:

"**Coupon**" means 0.7917% per Observation Period.

FINAL REDEMPTION

Final Redemption on the Maturity Date ("Final Redemption Amount")

On the Maturity Date, the Noteholder may receive a cash payment or a physical delivery in respect of each Note.

Specifically:

- (i) if the Closing Price of the Worst Performing Share on the Final Valuation Date is equal to or greater than its Strike Price, then the Noteholder will receive, in respect of each Note, a cash amount in the Settlement Currency determined in accordance with the following formula:

$100\% \times \text{Par}$

OR

- (ii) if the Closing Price of the Worst Performing Share on the Final Valuation Date is less than its Strike Price, then the Noteholder will be obligated to take delivery of the Physical Delivery Amount and receive the Fractional Cash Amount (if any).

Where:

"**Adjusted Number of Worst Performing Share**" means the Number of Worst Performing Share rounded down to the nearest whole number.

"**FX Rate**" means, in respect of an Underlying Share, the exchange rate at which 1 unit of the Settlement Currency is converted into an amount in the currency in which the Underlying Shares are denominated (the "**Underlying Currency**"), by reference to an applicable Bloomberg page "BFIX" of the relevant Settlement Currency, at the closing time of the Exchange on the Final Valuation Date, as determined by the Calculation Agent. If it is impracticable for the Calculation Agent to refer to the Bloomberg page "BFIX" for the Settlement Currency, the Calculation Agent will determine the FX Rate in good faith and its sole discretion.

For the avoidance of doubt, if the Settlement Currency is the same as the Underlying Currency, the FX Rate will be 1.

"**Fractional Cash Amount**" means, in respect of each Note, an amount in the Settlement Currency (rounded to two decimal places, with 0.005 rounded upwards), determined by the Calculation Agent as follows:

$(\text{Number of Worst Performing Share} - \text{Adjusted Number of Worst Performing Share}) \times \text{the Closing Price of the Worst Performing Share on the Final Valuation Date} / \text{FX Rate}$

"**Number of Worst Performing Share**" means a number of Worst Performing Share equal to (i) Par, multiplied by (ii) the FX Rate, divided by (iii) the Strike Price of the Worst Performing Share (rounded to four decimal places, with 0.00005 rounded upwards).

"**Physical Delivery Amount**" means, in respect of each Note, a number of Worst Performing Share equal to the Adjusted Number of Worst Performing Share.

Worst Performing Share

In respect of any Scheduled Trading Day, the Underlying Share with the lowest Underlying Performance of all the Underlying Shares on such date, as determined by the Determination Agent.

Where:

"**Underlying Performance**" means in respect of any Underlying Share and any Scheduled Trading Day, an amount equal to the Closing Price of the relevant Underlying Share on the relevant Scheduled Trading Day, divided by the Initial Price of that Underlying Share.

For the avoidance of doubt, if more than one of the Underlying Shares tie for lowest Underlying Performance, the Calculation Agent will determine the Worst Performing Share in its sole and absolute discretion.

OTHER TERMS

Business Days	New York
Business Days Convention	Modified Following Business Day Convention.
Manner of Settlement	Physical Settlement or Cash Settlement, determined as described under Final Redemption Amount above. The Noteholder shall be responsible for expenses (if any) if Physical Settlement applies. Settlement in either manner shall be subject to the local market convention in respect of the Settlement Currency and Underlying Shares.
Paying Agent	Bank of New York Mellon
ISIN/Common Code	XS2682830307/268283030
Form	Registered
Listing	None – the Notes will not be listed on any exchange or quoted on any OTC market.
Clearing and Settlement	Euroclear or Clearstream, Luxembourg
Governing Law	English Law
Market Disruption Event	Trading Disruption, Exchange Disruption and Early Closure.
Additional Disruption Event	Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging.
Early Redemption Events	<p>The Notes may be early redeemed in accordance with the following Conditions in the Offering Circular at the Early Redemption Amount:</p> <ol style="list-style-type: none"> (1) Extraordinary Events and Additional Disruption Event as set out in Condition 10; (2) Events of Default as set out in Condition 29; (3) Redemption for taxation reasons as set out in Condition 24; and (4) Illegality and in respect of Notes issued by MSBV, Regulatory Event, as set out in Condition 30.
Early Redemption Amount	<p>Means:</p> <ol style="list-style-type: none"> (1) in respect of Extraordinary Events and Additional Disruption Event, “Fair Market Value Less Costs”; (2) in respect of Events of Default, “Qualified Financial Institution Determination” (see below); (3) in respect of redemption for taxation reasons as set out in Condition 24, “Fair Market Value Less Costs”; and (4) in respect of Illegality and Regulatory Event as set out in Condition 30, “Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs”.
Extraordinary Event	Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting.
Inconvertibility Event	Inconvertibility Event Provisions B applies as set out in Condition 22
Potential Adjustment Events, Reference Date, Disrupted Day and Scheduled Trading Day	As set out in the Conditions in the Offering Circular.
Consequences of Disrupted Day	<p>Unless otherwise specified, if any Reference Date is a Disrupted Day, then the Reference Date for each Underlying Shares not affected by the occurrence of a Disrupted Day shall be the Scheduled Reference Date, and for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Underlying Shares, unless each of the eight Scheduled Trading Days immediately following the Scheduled Reference Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Reference Date for such Underlying Shares, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Determination Agent shall determine, in its reasonable discretion, its estimate of the value</p>