

Broker Training Guide

Warning: This document is a Training Guide for Financial Broker firms and should not be provided to any potential investors.

1. Summary of Key Features

- The 100% Capital Secure Eurozone Equity Bond (the Bond) is a new Investment Solution designed for investors who wish to invest in a Structured Retail Product that offers **100% Capital Protection** and **attractive potential investment returns** linked to the performance of a stock market **Index**. The Bond is suitable as part of the process of constructing a genuinely diversified investment portfolio.
- Investors in the Bond will benefit from **100% Capital Protection at maturity**. The Capital Protection is provided by Morgan Stanley (A-/A1/A+).
- The **Underlying Investment** of the Bond is the **EuroStoxx 50 Index** (SX5E Index).
- Investors will receive a **20% Return if the Index is at or above its initial level** at the Final Valuation Date.
- Broker Solutions considers the Bond to have a **Summary Risk Indicator of 2** on its risk scale.



- The Bond has a **5 year term**.
- The Bond will be **listed on the Luxembourg Stock Exchange**.
- **Daily liquidity** will be provided to investors that wish to sell the Bond prior to maturity under normal market conditions and at the discretion of Morgan Stanley & Co International.
- The **Minimum Investment** in the Bond **is €25,000**.
- **Maximum Return:** 20%.
- The **Closing Date** for applications is **27 June 2025** (or earlier if fully subscribed).
- **Taxation:** Our understanding is that the potential returns will be subject to **Income Tax** in the case of **Personal Investors** and **Exempt from taxation** in the case of **Pension and Post Retirement Investors**.

Warning: All of the terms outlined in this document are indicative and subject to change. The final terms will not be known until 9 July 2025. Your Financial Broker will confirm the final terms in the Confirmation Certificate issued shortly after the Issue Date on 16 July 2025. If the terms of the Bond have changed significantly on 9 July 2025, your Financial Broker will contact you again requesting a new instruction to proceed with the investment.

Warning: Deductions for costs and charges are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 5 year term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested or the Capital Protected amount if sold prior to maturity.

Disclaimer: This document has not been reviewed, approved or otherwise endorsed by Morgan Stanley or any of its affiliates and Morgan Stanley accepts no responsibility in relation to the accuracy, completeness or adequacy of the information included herein. Nothing in this document should be considered to be a representation or warranty by Morgan Stanley to any person, including without limitation, any potential investor and any member of the public, regarding whether investing in the Bond described herein is suitable or advisable for such person.

2. Description of the Bond

The 100% Capital Secure Eurozone Equity Bond (the Bond) is an innovative new Investment Solution designed for investors who wish to invest in a Structured Retail Product that offers attractive potential investment returns linked to the performance of an Index. The Bond is 100% Capital Protected at Maturity. The Bond is suitable as part of the process of constructing a genuinely diversified investment portfolio.

The Bond is in the form of a Note issued under Morgan Stanley's Base Prospectus Programme. The Issuer's Base Prospectus dated 12 July 2024, as supplemented and amended by the Final Terms, provides the complete terms and conditions of the Notes. A copy of the Base Prospectus is available from your Financial Broker on request.

The Bond in the form of Notes involving derivatives and is therefore a complex product. Investors should not invest in this Bond without having sufficient knowledge, experience and/or without having received professional advice from their Financial Broker to make a meaningful evaluation of the merits and risks of investing in a product of this type, and the information contained in this document and the Base Prospectus.

2.1 Investment Rationale

The investment rationale for investing in the Bond can be summarised as follows:-

- 1. Capital Protection:**
100% Capital Protection at Maturity.
- 2. Potential Jump Coupon of 20%:**
20% Return if the Index is above its initial level at the Final Valuation Date.
- 3. Investing in the Eurozone and the Eurozone stock market.**
- 4. Equities as a Long Term Investment and the EuroStoxx 50 Index**

Equities as a Long Term Investment

Although investing in equities (shares) involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.

Stock Market Indices provide a broad representative portfolio of investments in multiple companies or shares. Indexes are often used as benchmarks to gauge the movement and performance of market

segments or geographic regions. Investors generally use Indexes as a basis for diverse or passive investing. The EuroStoxx 50 Index is a benchmark Index of Eurozone shares.

The EuroStoxx 50 Index

The EuroStoxx 50 Index tracks the Eurozone's supersector leaders, resulting in a diversified and liquid portfolio of 50 Eurozone shares. The index's weighting is based on free-float market capitalisation, with a maximum weight of 10 percent per constituent.

The blue-chip benchmark underlies more than 25 billion euros in ETF assets, while futures and options on the index are the most actively traded equity index derivatives on Eurex. More than 160,000 structured products are linked to the EuroStoxx 50 Index.

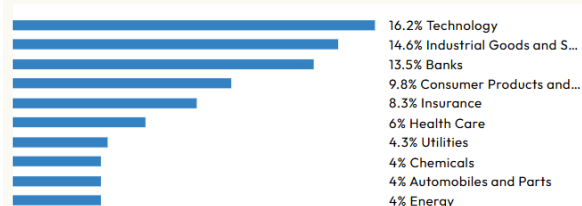
Source: <https://stoxx.com/index/sx5e/>

Infographic : https://stoxx.com/wp-content/uploads/2024/05/STOXX_European_Equities_Infographic_202404.pdf
Index Fact Sheet: <https://stoxx.com/index/sx5e/?factsheet=true> (April 2025)

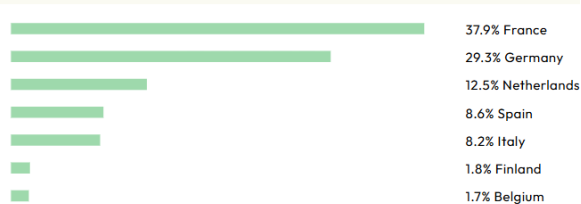
Warning: The Index is a Price Return Index. Dividends or income distributed by the Index constituents will not be re-invested in this Index nor distributed to investors.

Index Sector and Country Weightings

Supersector weighting (top 10)



Country weighting



Source: <https://stoxx.com/index/sx5e/?factsheet=true> (April 2025)

Index Top 10 Holdings

Company	Supersector	Country	Weight
SAP	Technology	Germany	7.252%
ASML HLDG	Technology	Netherlands	6.386%
SIEMENS	Industrial Goods and Services	Germany	4.228%
ALLIANZ	Insurance	Germany	3.914%
LVMH MOET HENNESSY	Consumer Products and Services	France	3.463%
SCHNEIDER ELECTRIC	Industrial Goods and Services	France	3.272%
TOTALENERGIES	Energy	France	3.233%
DEUTSCHE TELEKOM	Telecommunications	Germany	3.166%
SANOFI	Health Care	France	3.135%
AIR LIQUIDE	Chemicals	France	2.907%

Source: <https://stoxx.com/index/sx5e/?factsheet=true> (April 2025)

Index Past Performance

The Index has had an annualised returns of 12.1% over the last 5 years. This table outlines the Index's annualised returns over the last 1, 3 and 5 years:

Annualized return (%)		
1Y	3Y	5Y
4.9	10.9	12.1

Source: <https://stoxx.com/index/sx5e/?factsheet=true> (April 2025)

Index Past Performance Chart

This chart illustrates the performance of the Index over the past 5 years:



Source: <https://stoxx.com/index/sx5e/?factsheet=true> (26 May 2020 to 23 May 2025)

Warning: Past Performance is not a reliable guide to future performance.

3. Product Back Testing

We back tested 3,823 5 year periods solely between 16 May 2005 and 16 May 2025. A summary of the back testing results are as follows:

Worst Return	0%
Best Return	+20%
Average Return	+14.1%
Number of times investors received back Negative returns	0 (0% of all 5 year periods tested)
Number of times investors received back 0% return	1,127 (29.48% of all 5 year periods tested)
Number of times investors received Positive returns	2,696 (70.52%) of all 5 year periods tested

Source: Bloomberg, Morgan Stanley (May 2025)

Important Considerations

This back test data set includes numerous overlapping 5 year periods between 16 May 2005 and 16 May 2025.

The back testing of this product over all 3,823 5 year periods during the testing period illustrates no negative periods or negative outcomes where investors lost some or all of their capital. Investors should not consider this product back test illustration or previous product performance results as an indication of the potential for, or likelihood of positive outcomes or investment gains in the future. Past Performance and Product Back Test are not reliable guides to future performance which depends solely on future events.

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Limited Usefulness of Past Performance and Back Testing

Past Performance and Back Testing are useful for information purposes only. The analysis of the past performance of any investment asset(s) or the back testing of any investment product is purely academic and has no bearing on, or provides limited benefit in the assessment of the future performance potential of the investment asset(s) or the investment product in question. The future performance of any investment asset(s) or investment product depends solely on future events and circumstances that cannot be known in advance and that are not necessarily informed by or influenced by what has happened in the past, more recently or otherwise.

Warning: Past Performance and Simulated Past Performance are not a reliable guide to future performance.

Warning: Product Back Testing is not a reliable guide to future performance.

4. Warnings

Warning: The value of your investment may go down as well as up.

Warning: Deductions for costs and charges are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 5 year term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested or the Capital Protected amount if sold prior to maturity.

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