

## 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 Annual Income Bond 2 (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 fixed investment returns** that are either fixed (Option A) or linked to the performance of a **Benchmark Equity Index** (Option B). 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+) for Option A and BNP Paribas (A+/A1/AA-) for Option B.
- The **Underlying Investment** of the Bond is the **EuroStoxx 50 Index** (SX5E Index).
- The Bond has **2 Options**, both with **Annual Fixed Returns**:
  - **Option A:** Investors will receive a **Fixed Annual Return of 2.5% paid out each year regardless to investment performance**. Investors will also receive **a potential additional return of 0.05%** at Maturity, if the Index is at or above its initial level on the Final Valuation Date.
  - **Option B:** Investors will receive a **Fixed Annual Return of 3.73% paid out at the end of each year if the Index is above its Initial Level**. Option B has a **Memory Feature** whereby any missed Annual Fixed Returns can be caught up if the Index is at or above its initial level at the end of a subsequent year.
- Broker Solutions considers Option A the Bond to have a **Summary Risk Indicator of 1** and Option B 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 (Option A) and BNP Paribas Financial Markets SNC (Option B).
- The **Minimum Investment** in each Option of the Bond is **€25,000**.
- **Maximum Return:** **Option A 12.55%** and **Option B: 18.65%**.
- The **Closing Date** for applications is **27 February 2026** (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: 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.**

## **2. Description of the 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.

Option A of the Bond is in the form of a Note issued under Morgan Stanley's Base Prospectus Programme. The Issuer's Base Prospectus dated 11 July 2025, 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.

Option B of the Bond is in the form of a Certificate issued under BNP Paribas' Base Prospectus Programme. The Issuer's Base Prospectus dated 27 May 2025, as supplemented and amended by the Final Terms, provides the complete terms and conditions of the Certificates. A copy of the Base Prospectus is available from your Financial Broker on request.

The Bond in the form of Notes (Option A) or Certificates (Option B) 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 Prospectuses.

## **2. Investment Rationale**

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

### **1. *Capital Protection:***

100% Capital Protection at Maturity.

### **2. *Fixed Annual Returns:***

- ***Option A:*** Investors will receive a Fixed Annual Return of 2.5% paid out each year regardless to investment performance. Investors will also receive a potential additional return of 0.05% at Maturity, if the Index is above its initial level on the Final Valuation Date.
- ***Option B:*** Investors will receive a Fixed Annual Return of 3.73% paid out at the end of each year if the Index is above its Initial Level. Option B has a ***Memory Feature*** whereby any missed Annual Fixed Returns can be caught up if the Index is above its initial level at the end of a subsequent year.

### **3. *Investing in equities as a Long Term Investment* and investing in 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/>

Index Fact Sheet: <https://stoxx.com/index/sx5e/?factsheet=true> (31 December 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***



Source: Index Fact Sheet: <https://stoxx.com/index/sx5e/?factsheet=true> (31 December 2025)

## Index Top 10 Holdings

Company	Supersector	Country	Weight
ASML HLDG	Technology	Netherlands	8.521%
SAP	Technology	Germany	5.057%
SIEMENS	Industrial Goods and Services	Germany	4.285%
LVMH MOET HENNESSY	Consumer Products and Services	France	3.849%
BCO SANTANDER	Banks	Spain	3.572%
ALLIANZ	Insurance	Germany	3.540%
SCHNEIDER ELECTRIC	Industrial Goods and Services	France	3.230%
TOTALENERGIES	Energy	France	2.923%
AIRBUS	Industrial Goods and Services	France	2.782%
BCO BILBAO VIZCAYA ARGENTARIA	Banks	Spain	2.755%

Source: Index Fact Sheet: <https://stoxx.com/index/sx5e/?factsheet=true> (31 December 2025)

## Index Past Performance

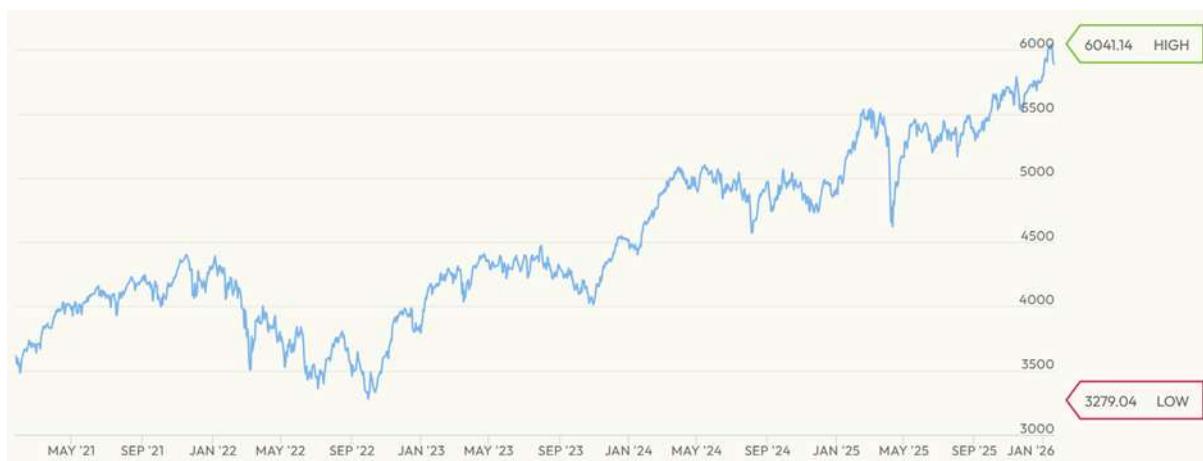
The Index has had an annualised return of 10.4% over the last 5 years. This table outlines the Index's annualised returns over the last 1, 3 and 5 years:

1Y	3Y	5Y
18.6	15.4	10.4

Source: Index Fact Sheet: <https://stoxx.com/index/sx5e/?factsheet=true> (31 December 2025)

## Index Past Performance Chart

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



Source: <https://stoxx.com/index/sx5e/> (21 January 2021 to 21 January 2026)

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

### 3. Product Back Testing

We back tested 1,290 (Option A) and 1,305 (Option B) 5 year periods solely between 4 January 2016 and 12 January 2026 (Option A) and 15 January 2016 and 14 January 2026 (Option B). A summary of the back testing results are as follows:

	Option A	Option B
<b>Worst Return</b>	+12.5%	+14.92%
<b>Best Return</b>	+12.55%	+18.65%
<b>Average Return</b>	+12.54%	+18.48%
<b>Number of times investors received back Negative returns</b>	0 (0% of all 5 year periods tested)	0 (0% of all 5 year periods tested)
<b>Number of times investors received back 0% return</b>	0 (0% of all 5 year periods tested)	0 (0% of all 5 year periods tested)
<b>Number of times investors received Positive returns</b>	1,290 (100%) of all 5 year periods tested	1,305 (100%) of all 5 year periods tested

Source: Bloomberg, Morgan Stanley, BNP Paribas (January 2026)

#### *Important Considerations*

This back test data set includes numerous overlapping 5 year periods between January 2016 and January 2026.

The back testing of this product over all 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.

**Warning: Investors should not consider this product back test illustration or previous product results as an indication of the potential for, or likelihood of, positive outcomes or investment gains in the future.**

#### *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.**

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