Defensive European Large Cap Core Equity Strategy

The Defensive European Large Cap Core Equity Strategy seeks to provide investors with core European large cap equity market exposure, but in a more defensive way seeking lower volatility relative to traditional equity investments. The strategy seeks to achieve lower volatility through active management of structured investments offering leveraged upside participation and a minimum 10% downside buffer. This outcome-oriented solution is meant to be used as a strategic allocation which seeks to complement asset class diversification as an additional risk management tool for the equity sleeve of client portfolios.

The "Enhanced Beta" strategy seeks to provide core European large cap equity exposure at a lower level of volatility than traditional equity beta (see illustrative potential results below).

Source: MSIM, for illustrative purposes only. This illustration does not take into consideration a client’s specific investment objectives, risk tolerance or financial situation.

1 Diversification neither assures a profit nor guarantees against loss in a declining market.
2 Initial Strike refers to the closing level of the reference underlying index for the structured investment on strike date. This approach targets a range of return or "payoff", with an allowance for a defined range of risk at a specific point in time in the future. There is no guarantee any investment objective or target will be achieved.
3 Wealth manager advisory fees and platform fees will apply and are not included in the investment management fee. Transaction costs are not included in the investment management fee but are included in the purchase price of the structured notes that the strategy invests in, and will therefore impact strategy performance. For additional information about the investment manager, please refer to the Form ADV provided by your wealth advisor.
4 Team members may change without notice from time to time.

The Portfolio Management Team focuses on delivering solutions to clients through an outcome-oriented approach driven by expertise in trading and investment experience in the structured investments space. Our process is further enhanced by Morgan Stanley's investment, technology, and operations expertise. We pride ourselves on the ability to deliver the best of Morgan Stanley to every client.

The Enhanced Beta strategy seeks to provide core European large cap equity exposure at a lower level of volatility than traditional equity beta (see illustrative potential results below).
Issuer Risk: The value of a security may decline for reasons related to the issuer, such as earnings stability, overall financial soundness, management performance and reduced demand for the issuer’s goods or services.

Investments in foreign markets entail special risks such as currency, political, economic, stability, legal and political conditions and liquidity risk.

European Investments Risk: Adverse political, social or economic developments in Europe, or in a particular European country, could cause a substantial decline in the value of the Portfolio. In addition, because investments are concentrated in Europe, performance may be more volatile than a more geographically diversified set of investments. Furthermore, if the countries leave the EU or if the EU dissolves, the world’s securities markets likely will be significantly disrupted. The financial instability of some countries in the EU together with the risk of such instability impacting other more stable countries may increase the economic risk of investments in companies in Europe.

Diversification does not eliminate risk of loss. When comparing asset classes, keep in mind that each has differences and that all investments involve risks, including the possible loss of principal.

The risks of investing in the Strategy may be intensified because the Strategy’s investments may be concentrated in securities of a limited number of issuers. As a result, the performance of a particular investment or a small group of investments may affect the Strategy’s performance more than it would if the Strategy held securities of a larger number of issuers.

Derivative instruments can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the Portfolio’s performance.

The strategy may invest in illiquid securities, which may be difficult for the strategy to sell at a reasonable price. There may be no secondary market and there may be restrictions on redemptions, assigning or otherwise transferring investments.

The views and opinions expressed are those of the investment team at the time of writing and are not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required. For important information about the investment manager, please refer to Form ADV Part 2.

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