The Defensive International Core Equity Strategy seeks to provide investors with core international 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 international 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.

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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.
3 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.
4 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.
5 Team members may change without notice from time to time.

Structured Investments may not be appropriate for all investors. Investors should carefully review the risks associated with these investments. They are not designed to be short-term trading instruments and involve risks that are not associated with investments in ordinary fixed or floating debt securities. In most instances, investors should be willing and able to hold a structured note to maturity, or risk selling the note at a discount or loss. Payments are subject to the credit risk of the issuer (and the guarantor, if applicable). In the event that the issuer of the structured note were to default, the investor could expect to lose 100% of their initial investment. See next page for more information.
IMPORTANT DISCLOSURES

MSCI EAFE Index (MXEA): An equity index which captures large and mid cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. Constituents are weighted by market capitalization. The index was designed to reflect the free float-adjusted market capitalization of the companies listed in countries constituting the Developed Markets Index. The index is calculated using a capitalization-weighting method and is reconstituted and rebalanced semi-annually. The index is a statistical measure of the dispersion of returns for a given security or market index.

RISK FACTORS

The Defensive International Core Equity Strategy invests in structured investments with leveraged upside (within a range of performance) and a minimum 10% downside buffer (the “structured investment”). An investment in the structured investment involves significant risks. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the structured investment. Investing in the structured investment is not equivalent to investing directly in the underlying or any of the securities composing the underlying. Some of the risks that apply to an investment in the structured investment are summarized below, but we urge you to read the more detailed explanation of risks relating to the structured investment in the prospectus supplement. You should not purchase the structured investment unless you understand and can bear the risks of investing in the structured investment.

- The structured investments do not pay interest and provide a minimum payment at maturity only if there is no appreciation of the underlying.
- The appreciation potential of the structured investments may be limited by the maximum payment at maturity.
- The issuer might not be the parent company of a group, but might instead be the guarantor of the structured investment. If the guarantor is not the parent company, in which case you should understand the guarantor, the potential remedies available to you against the issuer and the guarantor and the potential claims (including their ranking) and recoveries available to you against the issuer and the guarantor in a bankruptcy, resolution or similar proceeding.
- The market price of the structured investments will be influenced by many unpredictable factors.
- The structured investments are subject to the credit risk of the issuer (and the guarantor, if applicable), and any actual or anticipated changes to its credit ratings or credit spreads may adversely affect the market value of the structured investments.
- The appreciation potential of the structured investments is not linked to the value of the underlier at any time other than the valuation date(s).
- Investing in the structured investments is not equivalent to investing in the underlier.
- The rate the issuer is willing to pay for securities of this type, maturity and issuance size is likely to be lower than the rate implied by the issuer’s (or the guarantor’s, if applicable) secondary market credit spreads and advantageous to both the issuer and the underlier, and the issuer might not agree with the treatment of the structured investment as described by the issuer in the relevant offering documents. If the IRS were successful in asserting an alternative treatment for the structured investment could be materially and adversely affected. In addition, in 2007 the Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax consequences of an investment in the structured investment, possibly with retroactive effect.

Zero coupon securities are more sensitive to interest rate changes than comparable interest-paying securities.

The U.S. federal income tax consequences of an investment in the structured investment are uncertain. There is no direct legal authority regarding the propriety of the federal income tax treatment of the structured investment, and we do not plan to request a ruling from the Internal Revenue Service (the “IRS”). Consequently, significant aspects of the tax treatment of the structured investment will depend on the IRS’s position and the IRS or a court might not agree with the treatment of the structured investment as described by the issuer in the relevant offering documents. If the IRS were successful in asserting an alternative treatment for the structured investment could be materially and adversely affected. In addition, in 2007 the Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the structured investment, possibly with retroactive effect.

A DECISION TO INVEST SHOULD ONLY BE MADE AFTER READING THE STRATEGY DOCUMENTATION AND CONDUCTING IN-DEPTH AND INDEPENDENT DUE DILIGENCE.

The document is a general communication which is not impartial and has been prepared solely for investment professionals. It does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

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A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives 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.

There is no guarantee that any investment strategy will work under all market conditions. Investors should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

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