

Morgan Stanley Dynamic Global Index

Index Methodology



INDEX IDENTIFIER (TICKER):

MSUSMSDG

WEBSITE:

morganstanley.com/indices/#/msdg

INDEX CALCULATION AGENT:

Morgan Stanley & Co. LLC

INDEX LIVE DATE:

March 17, 2022

NUMBER OF INDEX COMPONENTS:

Maximum 8

REBALANCE FREQUENCY:

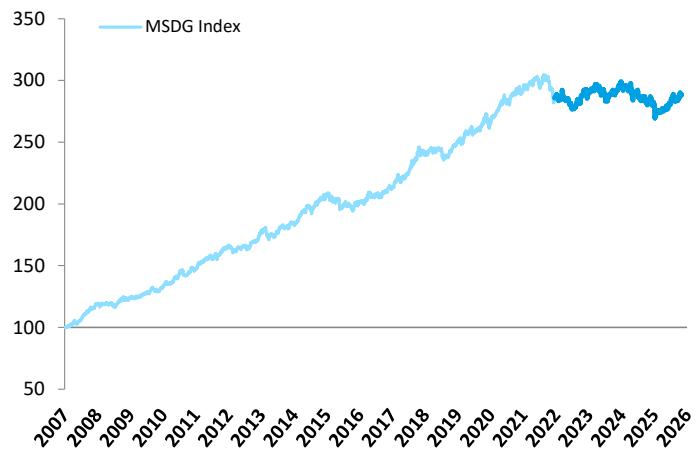
Daily

VOLATILITY TARGET:

5% Annualized

Please see Notes on Simulated Returns, page 4.

Index Performance, Simulated and Actual*



Source: Morgan Stanley, Bloomberg.

Summary Statistics, Simulated and Actual*

| | MSDG Index | S&P 500 (Excess Return) | Barclays Aggregate Bond (Excess Return) |
|---------------------------------------|------------|----------------------------|---|
| YTD Return | 1.23% | 1.15% | -0.19% |
| Return** Since Index Live Date | 0.41% | 14.43% | -4.00% |
| 1-Year Ann. Return | 1.74% | 11.66% | 2.52% |
| 3-Year Ann. Return | -0.10% | 15.47% | -1.19% |
| 5-Year Ann. Return | -0.07% | 11.26% | -3.43% |
| 10-Year Ann. Return | 3.84% | 13.02% | -0.36% |
| 10-Year Volatility | 4.60% | 18.04% | 4.83% |
| 10-Year Sharpe Ratio | 0.83 | 0.72 | -0.07 |
| Correlation to MSDG Index | 100% | 34% | 19% |

Source: Morgan Stanley, Bloomberg.

** Actual Return if less than 1yr since Index Live Date; if not, Annualized Return is used.

* From April 3, 2007 to January 30, 2026.

The Index Live Date is March 17, 2022. All data prior to that are simulated.

Index Construction

The Morgan Stanley Dynamic Global Index offers diversified exposure to a wide range of asset classes representing global equities, government bonds and major commodities. It uses modern portfolio theory to seek the highest expected returns for a given level of risk.



Diversified Portfolio - The Index seeks to take broad exposure to a diversified universe of asset classes representing global equities, government bonds and major commodities.



Dynamic Allocation - The Index uses modern portfolio theory & efficient frontiers to seek the highest expected returns for a given level of risk, rebalancing daily to account for changes in market conditions over both short-term and long-term horizons.

In addition, the index employs tailored asset class overlays with the aim of adjusting exposures based on specific asset class drivers of risk and return.



Risk Control - The Index attempts to target an overall 5% volatility level with daily monitoring and rebalancing, adapting to different market conditions and asset allocations.

Broad and Diversified Investment

The concept of portfolio diversification suggests that spreading investment allocations across a number of holdings may reduce the impact of adverse returns to a single component. Lower correlation between any two assets can increase the diversification benefit.

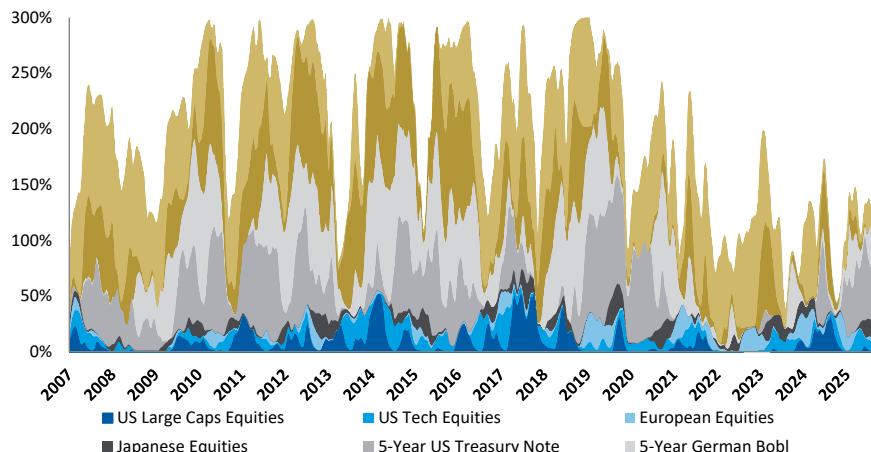
The correlation table to the right illustrates the different correlation levels across asset classes and across three of the world's most established markets mentioned.

| |
|--------------|
| Equities |
| Fixed Income |
| Commodities |



| | US Large Caps | US Tech | Eurozone | Japan | U.S. | German | Japan | Diversified |
|---------------|---------------|---------|----------|-------|------|--------|-------|-------------|
| US Large Caps | 100% | | | | | | | |
| US Tech | 92% | 100% | | | | | | |
| EQUITIES | 80% | 70% | 100% | | | | | |
| Japan | 66% | 61% | 70% | 100% | | | | |
| U.S. | -35% | -33% | -37% | -30% | 100% | | | |
| Eurozone | -29% | -26% | -36% | -23% | 66% | 100% | | |
| FIXED INCOME | -15% | -16% | -17% | -28% | -47% | 47% | 100% | |
| Japan | | | | | | | | |
| U.S. | | | | | | | | |
| German | | | | | | | | |
| Japan | | | | | | | | |
| Commodity | | | | | | | | |
| Diversified | 16% | 15% | 20% | 14% | -4% | -8% | -4% | 100% |

1- Month Rolling Index Composition*



Certain Risk Factors

- The level of the Index can go down. The Index components are exposed to various risks and their market price may be influenced by many unpredictable factors including risks associated with global equities markets, currency exchange rates, interest rates, commodities and precious metals.
- There are risks relating to the volatility target mechanism. The Index's volatility target mechanism is applied to target an overall level of realized volatility equal to 5% but the realized volatility may be less than or greater than 5% and the volatility target may adversely affect Index performance.
- The Index may have greater than 100% exposure (up to 300%) to the various Index components at any time as a result of the volatility target mechanism, which may exacerbate losses and subsequent deleveraging may increase the time taken to recover from a drawdown event.
- There are risks associated with leverage. The Index rules contemplate the possibility of leverage within the Index to achieve the 5% volatility target which is expected to magnify declines.
- The Index has a limited performance history and past performance is no indication of future performance. The Index has embedded costs, including but not limited to transaction costs, futures roll cost and margin costs.
- The components that are used in constructing the Index include adjustments for costs associated with trading within and between various components, as applicable. The return of such components and, as a result, the return of the Index will be lower than if there were no associated costs.
- Purchasers of products linked to the index will have no access to the assets underlying the Index. The Index methodology is fixed subject to certain adjustments and will not change over time even if the Index underperforms a relevant benchmark.
- Morgan Stanley and its affiliates may from time to time engage in transactions involving the components of the Index, which may negatively impact the level of the Index.
- The level of the Index will include the deduction of a fee of 0.50% per annum.

Monthly Allocations*

| Asset Class | Description | Monthly Average Allocations ¹ | Monthly Average Allocations ¹ | Cumulative Return Attributions ² |
|---------------------|-------------------------|--|--|---|
| | | December 2025 | January 2026 | January 2026 |
| Equities | | | | |
| | US Large Caps Equities | 9% | 0% | 0.00% |
| | US Tech Equities | 8% | 1% | 0.00% |
| | European Equities | 5% | 8% | 0.14% |
| | Japanese Equities | 6% | 20% | 1.25% |
| Fixed Income | | | | |
| | 5-Year US Treasury Note | 6% | 20% | -0.10% |
| | 5-Year German Bobl | 38% | 3% | 0.01% |
| | 10-Year Japanese Bonds | 40% | 0% | 0.00% |
| Commodities | | | | |
| | Diversified | 56% | 2% | -0.04% |

* As of January 30, 2026. The Index Live Date is March 17, 2022. All data prior to that are simulated.

¹ Computed as the average of the daily allocations over the corresponding month.

² The sum of the index components' return attribution is not equal to the Index return over that month due to the servicing fee and return compounding effects.

Source: Morgan Stanley.

NOTE ON SIMULATED RETURNS:

Back-testing and other statistical analyses provided herein use simulated analysis and hypothetical circumstances to estimate how the Index may have performed between April 3, 2007 and March 17, 2022, prior to its actual existence. The results obtained from such "back-testing" should not be considered indicative of the actual results that might be obtained from an investment in the Index. The actual performance of the Index may vary significantly from the results obtained from back-testing. Unlike an actual performance record, simulated results are achieved by means of the retroactive application of a back-tested model itself designed with the benefit of hindsight and knowledge of factors that may have possibly affected its performance. Morgan Stanley provides no assurance or guarantee that any product linked to the Index will operate or would have operated in the past in a manner consistent with these materials. Calculation based on simulated performance is purely hypothetical and may not be an accurate or meaningful comparison. Past performance (actual or simulated) is not necessarily indicative of future results.

The risks identified above are not exhaustive. Please see the full set of risk factors included in any disclosure materials relating to instruments linked to the Index for additional information.

Monthly Returns*

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Full Year |
|-------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2026 | 1.23% | | | | | | | | | | | | |
| 2025 | 0.55% | 0.28% | -1.85% | -1.12% | -0.38% | 0.89% | -0.36% | 0.63% | 0.96% | 2.87% | -1.11% | -0.23% | 1.05% |
| 2024 | -0.03% | 1.17% | 1.52% | -1.63% | 0.04% | -0.73% | -0.24% | -0.58% | 0.30% | -2.47% | 0.89% | -1.42% | -3.21% |
| 2023 | 2.79% | 0.52% | 0.23% | 0.50% | -0.43% | 1.45% | -0.44% | -0.85% | -1.66% | -1.19% | 1.71% | 0.92% | 3.52% |
| 2022 | -3.24% | -1.47% | -0.47% | -0.93% | 0.97% | -0.44% | -0.24% | -1.34% | -1.55% | 0.39% | 2.43% | -1.12% | -6.90% |
| 2021 | -0.22% | -0.05% | 1.03% | 0.33% | 1.04% | 0.53% | 0.65% | 0.97% | -2.85% | 1.63% | 0.65% | 0.49% | 4.21% |
| 2020 | 1.14% | -0.52% | 0.47% | 1.79% | 0.67% | 1.20% | 2.33% | 1.34% | -0.88% | -1.47% | 2.97% | 0.59% | 9.95% |
| 2019 | 1.35% | 0.62% | 1.31% | 1.31% | -1.32% | 3.10% | -0.28% | 1.94% | -1.10% | 0.51% | 0.13% | 1.18% | 9.01% |
| 2018 | 3.84% | -1.30% | -0.29% | -0.20% | 1.55% | -0.81% | 0.36% | 1.29% | -0.81% | -2.60% | 0.43% | 1.47% | 2.81% |
| 2017 | 0.47% | 1.94% | 0.07% | 1.79% | 1.86% | -1.62% | 1.57% | 0.99% | 0.45% | 2.54% | 2.22% | 0.09% | 13.00% |
| 2016 | 0.13% | 1.89% | -0.10% | -0.36% | 0.57% | 1.98% | 0.84% | -1.15% | 1.32% | -0.61% | 0.00% | 0.82% | 5.40% |
| 2015 | 1.39% | 1.09% | -0.37% | -0.47% | 0.27% | -1.72% | 0.96% | -3.47% | 0.28% | 1.25% | -0.01% | -1.21% | -2.11% |
| 2014 | -0.33% | 1.91% | -0.54% | 0.99% | 2.44% | 1.49% | 0.16% | 2.78% | -0.72% | 0.10% | 2.21% | 0.17% | 11.09% |
| 2013 | 0.26% | 1.31% | 2.79% | 1.20% | -1.86% | -1.72% | 0.87% | -0.55% | 2.27% | 2.20% | 1.09% | -0.76% | 7.20% |
| 2012 | 1.99% | 0.37% | 1.44% | -0.92% | -0.86% | -0.85% | 1.73% | 0.64% | 0.24% | -1.16% | 1.74% | 1.55% | 5.98% |
| 2011 | 1.67% | 2.43% | -0.38% | 2.86% | 1.06% | -0.26% | 1.90% | 0.87% | -1.38% | 1.70% | -0.50% | 1.92% | 12.44% |
| 2010 | -0.27% | 1.45% | 1.61% | 2.58% | -0.76% | 0.50% | 1.63% | 2.40% | 1.22% | 1.39% | -2.22% | 0.25% | 10.13% |
| 2009 | -0.73% | 0.30% | 1.36% | -0.08% | -0.34% | 0.63% | 1.36% | 0.67% | 0.66% | -0.53% | 3.79% | -2.24% | 4.84% |
| 2008 | 1.64% | 1.27% | 1.63% | -1.41% | 1.19% | 0.58% | -0.17% | 0.58% | -1.54% | 0.19% | 2.17% | 2.05% | 8.42% |
| 2007 | | | | | 1.63% | 0.50% | 0.83% | 1.09% | 1.94% | 3.42% | 1.94% | 1.18% | 13.21% |

Source: Morgan Stanley, Bloomberg.

* Data based on simulated returns from April 3, 2007 until March 17, 2022 and actual thereafter. Data through January 30, 2026.

Please see Notes on Simulated Returns.

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