

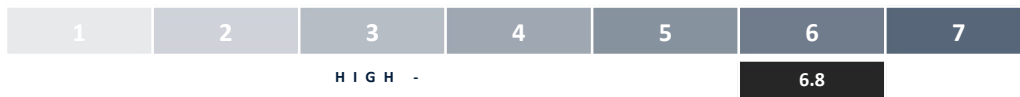
5Y (19.00%) MS GBP XOM, BP, RDSA AUTOCALL - EIS

TARGET INVESTOR

The Note is targeted at clients who are looking for equity-linked returns over a 6 year period, but are comfortable that the product may mature early. It is also intended for people who are cautious on the growth of equity markets.

Investors should be prepared to put their capital at risk in order to potentially achieve enhanced returns. Investors should be able to understand complex products and associated risks

RISK SCORE



TARGET MARKET

	CATEGORY
Client Type	Professional Investor
Investment Objective	Enhanced Return, Autocall
Expected Investment Term	3 years
Client understanding	Fairly High
Risk	Fairly High
Return	Fairly High
Capacity for loss	High

PRODUCT SUMMARY

TYPE Autocall

GROWTH DESCRIPTION

If on the annual Autocall Observation Dates, at the end of year 1, 2, 3, 4, or 5 all three underlying Stocks are equal to or greater than the Autocall Trigger Levels, the Note matures early returning the investor's initial investment plus a fixed return equal to **19.00%** for each year the Note runs

CAPITAL DESCRIPTION

If the Note runs for the full term (5 years) and the worst performing underlying Stock finishes lower than **50%** of its Start Level (i.e. the Stock has fallen by more than 50%) in year 5, the investors initial investment will be reduced by 1% for every 1% fall in that Index.

Otherwise, the investor will receive 100% of their initial investment

KEY FACTS

START DATE 17th May 2019

MAXIMUM TERM 5 YEARS

UNDERLYING STOCKS

Exxon Mobil Corp (XOM) Start Level – 75.91

BP PLC (BP/L) Start Level – 556

Royal Dutch Shell (RDSA NA) Start Level – 28.92

CURRENCY GBP

ISSUER Morgan Stanley Intl

ISSUER RATINGS A3 Moodys
A Fitch

TAX TREATMENT CAPITAL GAINS TAX

ISIN XS1986855770

SEDOL BKDSR21

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FURTHER INFORMATION

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PAYOFF DESCRIPTION & STRESS TESTS

The Note payoff is described below along with circumstances where capital is put at risk. Also the results of the historic back-test and a future looking stress test are shown. These stress tests are generated by Levendi Capital.

PAYOFF DESCRIPTION

AUTOCALL OBSERVATION DATES		PAYOFF	HISTORIC PROBABILITY *	STRESS PROBABILITY **
Year 1	If all Stocks close at or above 100% of their Start Level	119% of initial investment	41.9%	36.2%
Year 2	If all Stocks close at or above 95% of their Start Level	138% of initial investment	21.8%	18.6%
Year 3	If all Stocks close at or above 90% of their Start Level	157% of initial investment	8.6%	11.3%
Year 4	If all Stocks close at or above 85% of their Start Level	176% of initial investment	9.0%	7.7%
Year 5	If all Stocks close at or above 80% of their Start Level	195% of initial investment	5.5%	5.5%
	Otherwise if all Stocks close below 80% but equal to or greater than 50% of their start Level	100.0% of initial investment	13.4%	13.2%
	If the worst performing Stock is lower than 50% of its Start Level	Initial Investment minus 1% for every 1% fall in the index from the start date	0.0%	7.5%

RISK

	HISTORIC BACKTEST	STRESS TEST
Volatility of Returns	12.2%	22.9%
Probability of Loss	0.0%	7.1%
Average Payoff when there is a loss	N/A	38.3%
Average Loss in the worst 5% circumstances	N/A	-63.8%

RETURN

	HISTORIC BACKTEST	STRESS TEST
Best Return (pa)	19.00%	19.00%
Average Return (pa)	12.5%	9.3%
Probability of Gain	86.6%	79.3%
Average Payoff when there is a gain	132.7%	131.8%

* Historic Backtest: an analysis of the risks and returns offered by the product that uses actual past performance of the underlying assets

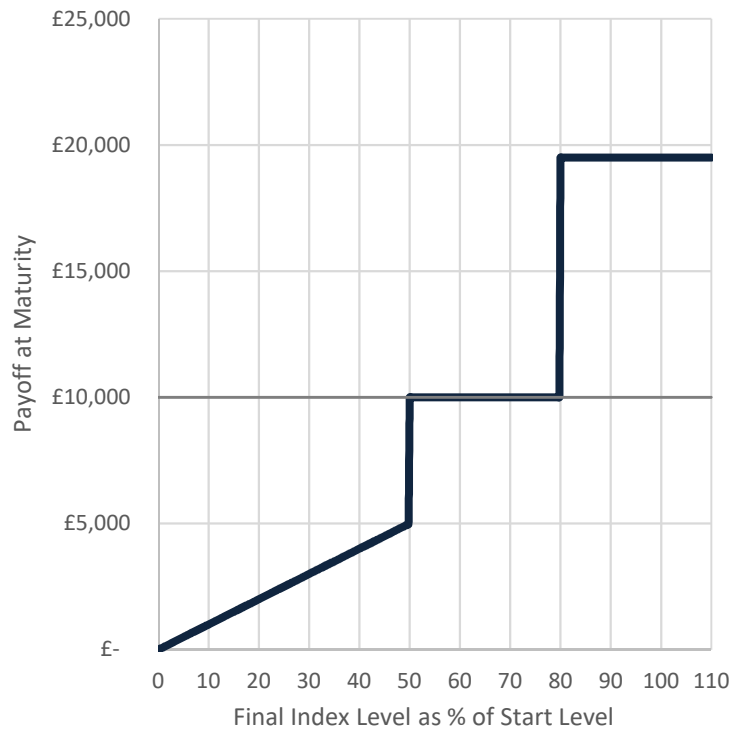
** Stress Test: the same analysis as the Historic Backtest is produced. Multiple possible price paths of the underlying assets are generated using a non-parametric bootstrap method. And the Stress Test uses this simulated performance data to calculate the risk and return analysis.



FINAL PAYOFF EXAMPLE

Below displays example of possible Final Payoff scenarios at Maturity assuming an initial investment of £10,000 and that no kickout event has occurred. The chart on the right shows the Final Payoff amount at Maturity for different Final levels of the worst performing underlying Index, assuming £10,000 was invested initially:

Final Index Level as a percentage of Start level	Payoff if £10,000 was invested at the start
100%	£19,500
95%	£19,500
80%	£19,500
75%	£19,500
70%	£10,000
65%	£10,000
60%	£10,000
55%	£10,000
50%	£10,000
45%	£4,500
40%	£4,000



ISSUER INFORMATION

Morgan Stanley & Co. International plc

Morgan Stanley & Co. International plc and its subsidiary undertakings are part of a group whose principal activity is the provision of financial services to corporations, governments and financial institutions. Morgan Stanley & Co. International plc is authorised by the Prudential Regulation Authority (“PRA”) and regulated by the PRA and the United Kingdom Financial Conduct Authority. Morgan Stanley & Co. International plc’s long term debt has been rated A1 by Moody’s and A+ by S&P (source: www.morganstanley.com, December 2018).



RISK FACTORS

The Preference Shares are only suitable for investors who are willing to take certain risks and can absorb a partial or complete loss of their initial investment. Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Preference Shares and to review the Base Prospectus. Please see the Base Prospectus together with the Final Terms for a full detailed description of the Preference Shares and in particular, please review the Risk Factors associated with these Preference Shares. Investing in the Preference Shares entails certain risks including, but not limited to, the following:

Market Disruption Risk Market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the Underlying Shares and/or their stock exchanges or markets taking place during the term or upon maturity of the Preference Shares. Such occurrences can have an effect on the time of redemption and/or on the value of the Preference Shares. Any of these events may adversely affect the value of the Preference Shares, which will in turn adversely affect the value of the Preference Shares and may result in the investor receiving a return that is materially different from that he/she expects

Adjustments by the Preference Share Calculation Agent The terms and conditions of the Preference Shares allow the Preference Share Calculation Agent to make adjustments, to early redeem the Preference Shares or take any other appropriate action if circumstances occur where the Preference Shares or the relevant exchanges are affected by a market disruption, an adjustment event or circumstances affecting normal activities. This would in turn have an impact on the term and/or the value of the Preference Shares.

Credit Risk The holder of the Preference Shares will be exposed to the credit risk of the Issuer and/or the Guarantor. Any information on credit ratings of the Issuer and/or the Guarantor of the Preference Shares provided in this document is correct at the time of publication. The credit ratings assigned to the Issuer and/or the Guarantor of the Preference Shares can change at any time without notice. Therefore if the Issuer and/or the Guarantor become insolvent you may lose all or part of your investment.

Exit Risk Potential Investors run the risk that they may receive an amount that is significantly less than their initial investment. The secondary market price of the Preference Shares will depend on many factors, including the value of the Preference Share and indirectly, the value and volatility of the Underlying Shares at any time on any day and the time left until the maturity of the Preference Shares, interest rates, the dividend rate on the Underlying Shares, time remaining to maturity and the creditworthiness of the Issuer and the Guarantor. Therefore the holder may receive an amount which may be less than the then intrinsic market value of the Preference Shares and which may also be less than the amount the holder would have received had the holder held the Preference Shares through to maturity.

Hedging Risk On or prior to and after the Trade Date, each Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Preference Shares by taking positions in the Underlying Shares, in option contracts on the Underlying Shares or positions in any other available securities or instruments.

Preference Share Risk The Preference Shares will be redeemed at an amount determined by reference to the value of the Preference Share that in turn is linked to the performance of the Underlying Shares. The issuer of the Preference Shares is not an affiliate of the Issuer.

No Interest Unlike ordinary debt securities, the Preference Shares do not pay interest. The return of only the principal amount will not compensate the holder on the Preference Shares for the effects of inflation and other factors relating to the value of money over time.

Potential Conflict of Interest The Issuer may act as the Determination Agent and the Preference Shares Calculation Agent may be an affiliate of the Issuer and the economic interests of the Determination Agent and/or the Preference Shares Calculation Agent may be adverse to the interests of holders of the Preference Shares. Determinations made by the Determination Agent and the Preference Shares Calculation Agent, including in the event of a market disruption may affect the amount payable to holders pursuant to the terms of the Preference Shares.

Liquidity Risk Any secondary market in the Preference Shares made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the Preference Shares it may not be liquid enough to facilitate a sale by the holder

Market Risk Price movements in the shares may not correlate with each other. Increases in the value of Underlying Shares may be moderated, or wholly offset, by lesser increases or declines in the value of one or more of the other components.

No Shareholder Rights A holder of Preference Shares will have no beneficial interest in the Underlying Shares nor any voting rights and will not have the right to receive dividends or other distributions with respect to the Underlying Shares.

Underlying Company Risk The companies whose shares are referenced in the Note are not affiliates of Levendi or the Issuer and its affiliates and is not involved with this offering in any way. Consequently, the Issuer and the Determination Agent have no ability to control the actions of the underlying companies, including any rebalancing that could trigger an adjustment to the terms of the Preference Share by the Preference Share Calculation Agent.

Single Stock Risk The Preference Shares will be redeemed at an amount determined by reference to the value of the Preference Share. The Preference Shares will be redeemed at an amount determined by reference to the performance of the Underlying Stocks and such performance will therefore affect the value of the Preference Shares. Noteholders and prospective purchasers of Preference Shares should conduct their own investigations and in deciding whether or not to purchase Preference Shares, form their own views of the merits of an investment related to the Preference Shares which are in turn related to the Underlying Stocks based upon such investigations and not in reliance on any information given in this term sheet.

Tax Risk* If you invest through a NISA, SIPP, SSAS and any other pension arrangement, any investment return from this note is not expected to be subject to tax. If you invest directly in the note individually, jointly or via a trust, any investment return is likely to be subject to Capital Gains Tax as this product is classified as an Excluded Indexed Security and is intended to provide an exposure to the Underlying's change of value between the Strike and Final Overstating Dates, this is done through linking its return to a class of redeemable preference shares in a UK company. However, tax laws and regulations could change and changes could be applied retrospectively; neither Levendi nor the Issuer offer tax advice nor do they accept any liability that might arise as a result of tax laws or tax law changes, and they will not indemnify investors

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