Morgan Stanley Currency Hedged Indices (Silver)

Bloomberg Page: See ANNEX 1

Date of initial publication: 11 September 2026

The Morgan Stanley Currency Hedged Indices (Silver) are the exclusive property of Morgan Stanley & Co. International plc and its Affiliates (the "**Morgan Stanley Group**"). Morgan Stanley and the Morgan Stanley Currency Hedged Indices (Silver) are trademarks of the Morgan Stanley Group and no person or entity should refer to any of the trademarks without the consent of a member of the Morgan Stanley Group and should not use any of the information in this Description for any purpose other than in relation to an investment or otherwise in connection with any Financial Product (as defined below) for which such consent has been obtained. The non-exclusive right to use the Morgan Stanley Currency Hedged Indices (Silver) as an underlying reference basis or otherwise for any Financial Product is granted only upon completion of a license agreement with a member of the Morgan Stanley Group. The Index Sponsor, the Index Calculation Agent and each member of the Morgan Stanley Group disclaim any responsibility for any unauthorised use of the Morgan Stanley Currency Hedged Indices (Silver) by any third party.

No representation is made by any member of the Morgan Stanley Group with respect to the eligibility of the Morgan Stanley Currency Hedged Indices (Silver) for investment (including, but not limited to, compliance with the UCITS Directive (2009/65/EC), as amended and supplemented from time to time (the "**UCITS Directive**")), or its use in connection with any Financial Product to be entered into or held, by any prospective investor. Prospective investors should make their own independent analysis of whether the Morgan Stanley Currency Hedged Indices (Silver) meet the eligibility criteria for their investment (including, but not limited to, compliance with the UCITS Directive) or use by them in relation to the relevant Financial Product and of whether the Morgan Stanley Currency Hedged Indices (Silver) respond to their criteria, needs and objectives for investment or otherwise. The term "investor" will include any counterparty, holder or contract party in relation to a Financial Product.

Nothing contained in this Description should be construed as an offer or solicitation to purchase or sell securities or to enter into any transaction or engage in investment activity of any kind. If you do invest in a Financial Product or engage in any other investment activity, you should ensure that you fully understand the nature of such investment and the risks involved and are satisfied that the investment is suitable and appropriate for your circumstances. If you are in any doubt about this you should take advice from an appropriately qualified advisor.

This Description does not constitute investment, taxation, legal, accounting or other advice, including within the meaning of Article 53 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or investment advice within the meaning of Article 4(4) of MiFID II.

The Index Sponsor has not structured the Indices to meet any legal, regulatory or other requirements with respect to any specific environmental, social or governance ("ESG") objectives or criteria and makes no representation as to the effectiveness of the indices in achieving a positive impact by reference to any ESG criteria or metrics or to its sustainability-related value. The Index Sponsor does not make any representation or express any view on whether the Indices are appropriate or compliant with any ESG considerations.

This document (the "**Description**") consists of the following sections:

Section 1 – Introduction 4
Section 2 – Risk Factors and Investment Considerations 6
Section 3 – Overview 11
Section 4 – Index Sponsor 13
Section 5 – Index Calculation Agent 15
Section 6 – Index Data 16
Section 7 – Calculation of the Index 17
Section 8 – Publication 22
Section 9 – Definitions 23
Section 10 – Adjustment and Disruption Provisions 28
Section 11 – Errors and Correction 31
Section 12 – Governance 32
Section 13 – Discontinuation 33
Section 14 – Important Information 34
ANNEX 1 35

Section 1 – Introduction

This Description sets out the methodology of the Morgan Stanley Currency Hedged Indices (Silver)(each an "**Index**") and the basis on which an Index is calculated. Each Index is part of the Morgan Stanley Currency hedged Indices (Silver) family of indices. The provisions and variables set out in this Description are applicable to each Index separately and individually. Accordingly, references in this Description to "Index" shall be construed as references to each Index.

This Description is intended to provide the information relating to the Indices required by the Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 ((EU) 2016/1011)) (as amended) (the "**EU Benchmarks Regulation**") as it forms part of "retained EU law" in the United Kingdom as defined in the European Union (Withdrawal) Act 2018 (as amended from time to time) (the "**UK Benchmarks Regulation**" and, together with the EU Benchmarks Regulation, the "**Benchmarks Regulation**"). Each Index is a non-significant benchmark for the purposes of the UK Benchmarks Regulation.

As at the date of publication of this Description, Morgan Stanley & Co. International plc appears on the register of benchmark administrators established and maintained by the Financial Conduct Authority pursuant to Article 36 of the UK Benchmarks Regulation. Morgan Stanley & Co. International plc's benchmark statement (the "**MS Benchmark Statement**") can be accessed via the following link:

https://www.morganstanley.com/disclosures

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	Morgan Stanley & Co. International plc
Item 2. Type of benchmark or family of benchmarks.	Commodity
Item 3. Name of the benchmark or family of benchmarks.	Commodities Signal-Based
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No

Subject as provided in Section 10 (*Adjustment and Disruption Provisions*), this Description is subject to change or adjustment at any time (including, without limitation, in accordance with the requirements of the UK Benchmarks Regulation) and will be superseded by any subsequent Description. A copy of the current version of the Description can be obtained following the method described in Section 8 (*Publication*).

No one may reproduce, distribute or disseminate this Description, any information contained in this Description or any Index Level (as applicable) without the prior written consent of the Index Sponsor. This Description is not intended for distribution to, or use by any person in, a jurisdiction where such distribution is prohibited by law or regulation.

Section 2 – Risk Factors and Investment Considerations

Prior to making an investment decision in respect of any Financial Product, prospective investors should consider carefully all of the information set out in this Description, including in this Section 2 (Risk Factors and Investment Considerations). This Section 2 (Risk Factors and Investment Considerations) is intended to describe various risk factors which the Index Sponsor believes represent the principal risks associated with any securities issues, derivative transactions or other financial product the return of which is linked to, or otherwise determined by reference to, the Index (each such issue, transaction or product, a "**Financial Product**"). Each investor in relation to a Financial Product is referred to as a "**Financial Product Investor**". There may be other risks and considerations not set out below that prospective investors should consider that are relevant either to their particular circumstances or more generally, whether arising from market factors or otherwise. In particular, other risks may exist in relation to the Financial Product itself. Each prospective investor should make their own investigations and form their own views as to the appropriateness or otherwise of the Index taking into account their own circumstances.

Costs – The calculation of the Index Level may include a deduction for certain costs. Such costs are calculated in accordance with the methodology specified in this Description. Any such deduction(s) shall mean that the Index Level is less than would be the case if no costs were deducted.

The Index is adjusted by deductions included in the Index Level - Notional embedded costs may be included within the Index and will reduce the Index Level. Any such amounts will be deducted from the performance of the Index with the intention of reflecting synthetically index servicing costs (which are applicable to the Index rather than the Index Components and are applicable on an ongoing basis).

Foreign exchange rates are highly volatile - Foreign exchange rates are highly volatile and are determined by various factors, including supply and demand for currencies in the international foreign exchange markets, economic factors including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility, safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks.

A foreign exchange rate can be fixed by the sovereign government, allowed to float within a range of exchange rates set by the government or left to float freely. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to each other. However, from time to time governments may use a variety of techniques, such as intervention by a country's central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. In addition, governments around the world, including the governments of other major world currencies, have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and may cause currency exchange rates to fluctuate more than would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders.

Some of such events may trigger a decision by the Index Sponsor to make adjustments or changes in the terms of the Index in accordance with Section 10 (*Adjustment and Disruption Provisions*).

A disappearance or non-commencement of an Underlying FX Forward or FX Rate could adversely affect the market value of a Financial Product – An Underlying FX Forward may be discontinued. Further, Financial Product Investors should be aware that the FX Rate in respect of an Underlying FX Forward may disappear, be permanently discontinued or become unavailable. Such instances may result in the Index Sponsor determining that the procedures under Section 10.1 (*Adjustment Events*) will apply and, therefore, any such event could have an impact on payments due under a Financial Product.

None of the Index Sponsor, the Index Calculation Agent or any member of the Morgan Stanley Group is liable for any information concerning an Underlying FX Forward or the performance of an Underlying FX Forward – Although the Index Sponsor will obtain information concerning an Underlying FX Forward from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Index Sponsor, the Index Calculation Agent or any member of the Morgan Stanley Group as to the accuracy, completeness, and timeliness of information concerning such Underlying FX Forward. In addition, none of the Index Sponsor, the Index Calculation Agent or any member of the Morgan Stanley Group makes any representation whatsoever, whether express or implied, as to the performance of any Underlying FX Forward or the use of such Underlying FX Forward in connection with the Index.

Certain risks in relation to the Benchmarks Regulation – If an Underlying FX Forward is a "benchmark" under the Benchmarks Regulation and (i) it would be unlawful or contradictory to any applicable licensing requirements for the Index Calculation Agent to determine the level or other value of such Underlying FX Forward or make any other determination in respect of the Index which it would otherwise be obliged to do so pursuant to this Description, or (ii) if the relevant benchmark administrator does not obtain or maintain (as applicable) such authorisation or registration or, if a non-EU entity, "equivalence" is not available and it is not recognised, then the Index Sponsor may determine that the procedures under Section 10.1 (*Adjustment Events*) will apply.

Reform of interest rate index and equity, commodity and foreign exchange rate index "benchmarks" – Underlying FX Forwards which are deemed to be "benchmarks" may be the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Financial Product.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" could have materially adverse consequences in relation to a Financial Product.

The Index performance is subject to fluctuations – The Index is a notional, rules-based index comprising the Index Components and other reference prices (including relevant silver prices) used to calculate the Index Level, and the Index Level may decline. The Index methodology described in this Description was developed based on historical data and conditions and there are no assurances that the methodology will generate positive performance in the future. The performance of the Index is dependent on many factors, including developments and trends in the markets for the Index Components and such prices. The Index performance can go up as well as down, and can register significant losses, including in some cases that the Index falls to zero. Any past performance of the Index (actual or simulated) is not an indication of its future performance.

Risks and rewards of a Financial Product – Financial Product Investors should ensure that they review the economic terms of the relevant Financial Product and not only the terms of the Index in order to understand the risks and rewards of an investment in such Financial Product.

The Index is not an investment in the Index Components – The Index is calculated as a "notional" index. This means that the Index is calculated by reference to the FX Rate in respect of each Index Component and relevant silver prices, however the strategy embedded in the Index means that any return might be higher or lower than the aggregate performance of the Index Components and relevant silver prices. However, there is no requirement for the Index Sponsor to obtain an exposure in relation to any Index Component in order to calculate the Index.

A Financial Product Investor will have no rights in respect of the Index or any Index Components – The investment exposure provided by the Index is synthetic. An investment referenced to an Index does not make a Financial Product Investor a holder of, or give a Financial Product Investor a direct investment position in, an Index or any Index Component (or any components thereof) or silver.

No liability – Notwithstanding any other provision within this Description, and subject as provided by any applicable law or regulation, in no event shall the Index Sponsor or the Index Calculation Agent, acting in each case in such capacity, be liable (whether directly or indirectly, in contract, tort or otherwise) for any loss incurred by any person that arises out of or in connection with the Index, including in relation to the performance of the Index Sponsor or the Index Calculation Agent, as applicable, of any part of its respective role under this Description, provided that nothing shall relieve each of the Index Sponsor and the Index Calculation Agent from any liability arising by reason of fraud or acts or omissions constituting any breach of regulation or other applicable law.

The Index Sponsor may make adjustments to this Description in certain circumstances – The Index Sponsor may make adjustments to this Description without consulting with Financial Product Investors in circumstances where the Index Sponsor has determined that such change is not material to Financial Product Investors, including if it is of a formal, minor or technical nature. Before making any other adjustment to this Description, the Index Sponsor will give prior notice to Financial Product Investors. Such adjustments could include, but are not limited to: (i) adjusting any relevant FX Rate, (ii) replacing or removing an Index Component, (iii) postponing the publication of an Index Level or (iv) suspending or cancelling the Index. Any adjustments made to the Index may impact its future performance and result in an adverse return to a Financial Product Investor.

Discretion – This Description confers on each of the Index Sponsor and the Index Calculation Agent the right to make determinations, calculations, adjustments and modifications in relation to the Index and related matters, which involve, in certain circumstances, a degree of discretion in order to ensure that the Index can, where reasonably practicable, continue to be calculated and determined notwithstanding the relevant circumstances or, to allow a delay or a cancellation of the Index (including, without limitation, upon the occurrence of certain Adjustment Events, certain dilutive or concentrative events or other market disruption events in relation to Index Components or silver as specified in this Description). Such adjustments may include, without limitation, adjusting the composition of the Index which exposes Financial Product Investors to the risk that any replacement Index Component may perform differently from the original Index Component, which may have an adverse effect on the performance of the Index.

Each of the Index Sponsor and the Index Calculation Agent will, as far as reasonably practicable, exercise any such discretion with the aim of ensuring that the Index continues to reflect, as closely as possible, the underlying economic interest it is designed to represent. The exercise of these discretions may have a significant effect on the Index and a Financial Product. Financial Product Investors should note that they are exposed to the exercise by the Index Sponsor of such discretions and in exercising such discretions, the Index Sponsor and the Index Calculation Agent have no obligations to consider the interests of any other person including (but not limited to) Financial Product Investors. Each of the Index Sponsor and the Index Calculation Agent, unless otherwise specified, is required to act using reasonable discretion, however, there can be no assurance that the exercise of any such discretion (or the absence of exercise, as the case may be) will not increase or decrease the Index Level and/or alter the volatility of the Index.

Political and economic factors – FX Rates and silver prices may be influenced by a number of circumstances, including, but not limited to, political events, general economic conditions, government intervention, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations. Any such circumstance (or a combination of them) may cause unexpected volatility or illiquidity in the relevant markets. The Index may fail to take account of such events and, as a result, investment losses may occur which may in turn have an adverse effect on the performance of a Financial Product.

With respect to any emerging or developing nation, there is the possibility of nationalisation, expropriation or confiscation, political changes, government regulation, social instability or other developments (including war) which could affect adversely the economies of such nations or FX Rates that are linked or have an exposure to such nations.

Market volatility – The underlying markets for Index Components and in including, without limitation and, if applicable, commodities, metals, financial instruments, interest rates and indices may be volatile and subject to sudden fluctuations of varying magnitude, and may be influenced by, amongst other things, government trade, fiscal, monetary and exchange control programmes and policies, national and international political and economic events and changes in interest rates. The volatility of such underlying markets may render it difficult or impossible to predict or anticipate fluctuations in the value of Index Components and silver prices which could result in losses and an adverse effect on the Index.

Rules-based Index – The Index is quantitative and rules-based and is not managed actively by the Morgan Stanley Group or any third party. Consequently, the Morgan Stanley Group does not have discretion to change this Description if there are significant changes in the performance of the Index Components that cause the Index to decline significantly or underperform.

Information about the Index is no guarantee of the performance of the Index – Certain presentations and historical analysis or other statistical analysis materials in respect of the operation and/or potential returns of the Index which may be provided are based on a number of assumptions, historical estimates, simulated analyses and hypothetical circumstances to estimate how the Index may have performed prior to its actual existence. The Index Sponsor may use historical data that is available to calculate the hypothetical level of the Index prior to its inception. If the Index Sponsor determines that such historical data is not available or is incomplete, the Index Sponsor may use alternate sources of data in place of such historical data as well as make certain modifications to the index methodology as it deems necessary to calculate the hypothetical level of the Index prior to its inception. The Index Sponsor provides no assurance or guarantee that the Index will operate or would have operated in the past in a manner consistent with those materials.

Index Base Date – The Index will only have been calculated since the Index Base Date, being a date determined by the Index Sponsor as the date on which the Index Level would have been equal to the Initial Index Level based on back-testing (using simulated analyses and hypothetical circumstances, as further described in this Description). As such, any historical returns or any hypothetical simulations based on such back-tested data or analyses with respect to the period from the Index Base Date to the date on which Financial Products are first implemented (which may be materially later than the Index Base Date), may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, the Index over any time period.

Limited operating history and unanticipated performance – The Index is a relatively new strategy. Where limited historical performance data exists with respect to the Index Components and the Index itself, any investment in respect of which returns are linked to the performance of the Index or the Index Components may involve a greater risk than an investment linked to returns generated by an investment strategy with a proven track record. While a longer history of actual performance could provide more reliable information on which to assess the validity of the Index and on which to base an investment decision, the fact that the Index and the Index Components are relatively new would not allow this. There can be no guarantee or assurance that the Index or the Index Components will operate in a manner consistent with the data available.

Reliance on information – Calculations related to the Index may rely on information obtained from various publicly available sources. The Morgan Stanley Group and the Index Calculation Agent have relied on and will rely on these sources. In addition, the Morgan Stanley Group and the Index Calculation Agent have not verified independently and will not verify independently the information extracted from these sources. Accordingly, Financial Product Investors are subject to the risk that such third party information is inaccurate or incomplete and, in such circumstances, any such inaccuracy or incompleteness will be reflected in the calculation of the Index and may have a material impact on the performance of the Index.

No disclosure of information – The Morgan Stanley Group may be in possession at any time of information in relation to Index Components and silver prices which may not be available to Financial Product Investors. There is no obligation on any member of the Morgan Stanley Group to disclose to Financial Product Investors any such information.

Conflict of interests – The Morgan Stanley Group (including the Index Calculation Agent and the Index Sponsor) may from time to time engage in transactions involving the Index Components and commodities for their own account and/or for the account of their clients and may act as market-maker for the same. Such activities may not be for the benefit of Financial Product Investors and may have an effect on the value of the Index and, consequently, on the value and performance of any Financial Products. In addition, the Morgan Stanley Group may from time to time act in other capacities such as the issuer of investments or the advisor thereof. Morgan Stanley Group entities also may issue, hold or enter into financial instruments and/or enter into derivative contracts in respect of the Index Components and commodities and the use of such instruments and/or derivatives may affect the value of the same. Morgan Stanley Group entities may, but are not obliged to, enter into hedging transactions in respect of the Index Components and commodities in order to meet obligations in respect of Financial Products or for any other purpose which may affect the value of the same or of any Financial Products. If they do, Morgan Stanley Group entities will have certain rights pursuant to such hedging transactions and/or in relation to any transactions that have given them exposure to Index Components and commodities and will pursue actions and take steps as they deem appropriate to protect their own interests.

In addition, the unwinding of such hedging transactions may affect the value of such Index Components, commodities or instruments which may affect the value of the Index. Morgan Stanley Group entities may make gains and/or losses from such hedging activity. In acting in any of these capacities, subject as provided by any applicable law or regulation, no member of the Morgan Stanley Group is obliged to take into account the interests of any person including (but not limited to) Financial Product Investors.

Litigation and disputes – The Index Sponsor, the Index Calculation Agent or any member of the Morgan Stanley Group may be subject to litigation or arbitration proceedings or disputes with other entities. Any such event may adversely affect the ability of the Index Sponsor or the Index Calculation Agent to perform their duties in respect of the Index and, therefore, may adversely affect the Index and, consequently, any Financial Product.

Morgan Stanley research – The Morgan Stanley Group may issue research reports on securities or other financial instruments that are, or may become, Index Components. These reports are independent of the obligations of the Index Sponsor and the Index Calculation Agent described in this Description.

The Index Sponsor's determinations are final and conclusive – The Index Calculation Agent is responsible for compiling and calculating the Index pursuant to this Description and has certain discretions relating to the Index. The Index Sponsor retains the discretion to appoint an alternative Index Calculation Agent.

The Index Sponsor retains the final discretion as to the manner in which the Index is calculated and constructed. Furthermore, the Index Sponsor has the final authority on the Index and the interpretation and application of this Description. The Index Sponsor makes no representation (implied or otherwise) as to the performance of any Index Component, silver prices and/or the Index.

Tax Considerations – In July 2015 the U.S. Treasury Department and the IRS released a notice designating certain "basket contracts" and substantially similar transactions as "*transactions of interest*," subject to information reporting requirements as "*reportable transactions*" under Section 6011 of the Code. On July 11, 2024 the U.S. Treasury Department and the IRS proposed new regulations ("**Proposed Regulations**"), designating the same "*basket contracts*" as "*listed transactions*" instead of "*transactions of interest*." The Proposed Regulations also made the previous IRS notice obsolete. The scope of the Proposed Regulations are unclear, and it is therefore possible that certain instruments linked to the Index could be subject to the Proposed Regulations. If the Proposed Regulations are finalized in their current form and the instruments linked to the Index are subject to the Proposed Regulations, we and holders of such instruments would be required to report certain information to the IRS, as set forth in the applicable Treasury regulations regarding "*reportable transactions*" If a transaction is a "*listed transaction*" and you fail to disclose the transaction, you could be subject to substantial penalties and other adverse consequences. If the Proposed Regulations are finalized as drafted, reporting thereunder may be required even for instruments issued prior to the finalization of the Proposed Regulations. Holders should consult their tax advisers regarding the potential application of the Proposed Regulations to instruments linked to the Index.

Section 3 – Overview

This Section provides an overview of a number of features of the Index. There are aspects of the Index to which this section does not refer. Prospective investors should read the entire Description, including (without limitation) Section 2 (Risk Factors and Investment Considerations), before making any investment decision. Capitalised terms not otherwise defined shall have the meaning given to them elsewhere in this Description.

Summary

The Index is a rule-based quantitative investment strategy which tracks the performance of hedging currency risk on silver exposure. The Index takes a long position in the Underlying FX Forward daily and converts its performance daily to silver. The details of the Index computation can be found in Section **Error! Reference source not found.**.

The Index Sponsor has not structured the Index to meet any legal, regulatory or other requirements with respect to any specific environmental, social or governance ("ESG") objectives or criteria and makes no representation as to the effectiveness of the Index in achieving a positive impact by reference to any ESG criteria or metrics or to its sustainability-related value. The Index Sponsor does not make any representation or express any view on whether the Index is appropriate or compliant with any ESG considerations.

An Index Level is calculated in relation to each Index Business Day by the Index Calculation Agent. This will be used in connection with one or more Financial Products issued or entered into by a member of the Morgan Stanley Group. Generally, only a Financial Product issued or entered into by a member of the Morgan Stanley Group is permitted to use or reference the Index (directly or indirectly) but other Financial Products issued or entered into by financial services providers other than members of the Morgan Stanley Group may be permitted to use or reference the Index with the consent of a member of the Morgan Stanley Group. A Financial Product Investor has no ownership or other rights to or in respect of Index Components in its capacity as a Financial Product Investor or any other assets which are from time to time comprised in the Index.

The Index references a "notional" or synthetic exposure to the Index Component(s) and silver prices, and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership. The Index merely identifies the Index Components, relevant silver prices and a rules-based strategy, the performance of which is used as a reference point for calculating Index Levels.

This Section 3 (*Overview*) is subject to, and qualified by, the remainder of this Description.

Section 4 – Index Sponsor

The Index has been developed by Morgan Stanley & Co. International plc ("**MSIP**"). The Index is administered by the index sponsor or any successor thereto (the "**Index Sponsor**"). The initial Index Sponsor is MSIP.

The Index Sponsor controls the creation and operation of the Index administrative process, including all stages involved in the production and dissemination of the Index. The Index Sponsor also is responsible for the manner in which the Index is calculated and constructed, and is the final authority on the Index and the interpretation and application of this Description. Notwithstanding that the Index relies on information from third party sources, the Index Sponsor has primary responsibility for all aspects of the Index administration and determination process.

The Index Sponsor will obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable. The Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included therein.

The Index Sponsor is not acting as a manager or an investment advisor in relation to the Index and has no relationship of agency or trust or any fiduciary duty to any person in respect of the Index and is not required to take the interests of any person into account in making any determination or calculation in relation to the Index.

The Index Sponsor makes no warranty or representation (implied or otherwise) as to the performance of any Index Component and/or the Index.

No Financial Product is sponsored, endorsed, sold or promoted by MSIP or the Index Sponsor, and neither MSIP nor the Index Sponsor makes any express or implied representations or warranties as to (a) the advisability of purchasing or assuming any risk in connection with any Financial Product, (b) the levels at which the Index stands at any particular time on any particular date, (c) the results to be obtained by the issuer or obligor of any Financial Product, or any Financial Product Investor, or any other person or entity from the use of the Index or any data included therein in connection with any licensed rights or for any other use or (d) any other matter. Neither MSIP nor the Index Sponsor make any express or implied representations or warranties of merchantability or fitness for a particular purpose with respect to the Index or any data included therein.

Subject as provided by any applicable law or regulation, and without limiting any of the foregoing, in no event shall MSIP or the Index Sponsor have any liability (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Subject as provided by any applicable law or regulation, neither MSIP nor the Index Sponsor accepts any legal liability to any person for publishing or not continuing to publish for any period of time any Index Level at any particular place or any particular time.

MSIP may in its sole and absolute discretion delegate and/or transfer any of its obligations and/or functions in relation to the administration and determination of the Index to one or more third parties as it deems appropriate from time to time. MSIP in exercising such right is not required to take into account the interests of any Financial Product Investors or transactions linked in whole or in part to the Index.

Section 5 – Index Calculation Agent

The Index is calculated by Morgan Stanley & Co. International plc (the “**Index Calculation Agent**”).

The Index Calculation Agent is responsible for compiling and calculating the Index. The Index Sponsor retains the discretion to terminate the appointment of the Index Calculation Agent and to appoint an alternative Index Calculation Agent.

Subject as provided by applicable law and regulation, the Index Calculation Agent expressly disclaims all liability for any inaccuracy in calculations and the publication of the Index, the information used for making adjustments to the Index and the actual adjustments, as well as for the quality, accuracy, timeliness or completeness of the information contained in the Index or this Description or for delays, omissions, interruptions in the delivery of the Index or information related to it. No liability to any person shall attach to the Index Calculation Agent in connection with the exercise or non-exercise by it of any powers, duties or discretions.

The Index Calculation Agent makes no representation (implied or otherwise) as to the performance of any Index Component, silver prices and/or the Index.

The Index Calculation Agent’s calculations and determinations in relation to the Index shall be binding on all persons in the absence of manifest error. The term “manifest error" as used herein shall mean an error that is plain and obvious and can be identified from the results of the calculation or determination itself without (i) recourse to the underlying data or (ii) any application or re-application of any formulae. No person (whether a Financial Product Investor or otherwise) will be entitled to proceed (and shall be deemed to have agreed to waive proceedings) against the Index Calculation Agent in connection with any such calculations or determinations or any failure to make any calculations or determinations in relation to the Index.

For so long as the Index Calculation Agent constitutes and calculates the Index, the Index Calculation Agent does not accept any liability for loss or damage of any kind (including, without limitation, any special, punitive, indirect or consequential damages (including loss of profits)) arising from the use of such information in any such calculation or determination. The Index Calculation Agent makes no representation (implied or otherwise) as to the performance of any Index Component, silver prices and/or the Index itself and disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any information in connection with it.

Section 6 – Index Data

The Indices are calculated on the basis of publicly available third-party data.

Refinitiv and Bloomberg will be the primary source used to obtain the relevant foreign exchange data used in the calculation of the Morgan Stanley Currency Hedged Indices (Silver). The London Bullion Market Association ("LBMA") will be the primary source used to obtain the relevant metal prices. To the extent possible, the underlying rates represent those sources that are commonly used by market participants when executing foreign investment transactions.No assurance can be given that any such data or prices will be published on the relevant source accurately, in a timely manner or at all and the Index Sponsor and the Index Calculation Agent have relied on, and will rely on, such data or prices as published on the relevant source. Neither the Index Sponsor nor the Index Calculation Agent has independently verified the information extracted from such sources and accepts no responsibility or liability in respect thereof.

This data is not independently reviewed and, although Morgan Stanley verifies these values based on internal policies and procedures, there is no guarantee that such data is consistent with third party data. Notwithstanding such verification, there is a risk that such data may be skewed towards the Morgan Stanley Group's internal values and that, therefore, input data may be not consistent with third party data.

Section 7 – Calculation of the Index

7.1 – Index Level

The Index Level in respect of each Index Business Day from the Index Base Date shall be an amount, expressed in the Index Currency, calculated by the Index Calculation Agent in accordance with the following formula:

On Index Base Date D_0 , the Index Level (being the Initial Index Level) is defined as follows:

$$I_{D_0}^{i} = 10000.000$$

Where:

$$IntradayI_{D_0}^{i} = 10000.000$$

On any Index Business Day D, other than the Index Base Date, the Index Level shall be calculated by the Index Calculation Agent as follows:

$$I_D^i = I_{D-1}^i + \frac{DollarsToMetal\_Amt_D^i}{[SilverRef_{D,12pm}]}$$

Where:

$$DollarsToMetal\_Amt_D^i = FXHedgeSize_{D-1}^i * FXPerformance_D^i$$

$$FXHedgeSize_D^i = \frac{IntradayI_D^i \times [SilverRef_{D,10am}]}{FX_{mid,D,10am}^i}$$

$$FXPerformance_D^i = [FX_{bid,D,11am}^i - FW\ ^i(D-1, S_D^i)]$$

$$IntradayI_D^i = I_{D-1}^i + \frac{IntradayDollarsToMetal\_Amt_D^i}{[SilverRef_{D,10am}]}$$

$$IntrdayDollarsToMetal\_Amt_D^i = FXHedgeSize_{D-1}^i * IntrdayFXPerformance_D^i$$

$$IntrdayFXPerformance_D^i = [FX_{bid,D,10am}^i - FW^i(D-1, S_D^i)]$$

$$FW^i(T1,T2) = FX_{ask,T1,11am}^i + \left[\frac{Pts_{SN,T1}^i}{10000} + \frac{(Pts_{1W,T1}^i - Pts_{SN,T1}^i) \times (T2 - SN_{T1}^i)}{10000 \times (1W_{T1}^i - SN_{T1}^i)}\right] \times G(T2 - SN_{T1}^i)$$

where:

I_D^i	means the Index Level in respect of the Index Business Day D.
$D-1$	means the first Index Business Day preceding Index Business Day D.
$G(X)$	is 1 if X≥0 and 0 otherwise
$SilverRef_{D,12pm}$	means the 12pm LBMA silver auction price, as per Bloomberg ticker: SLVRLND Index.
$SilverRef_{D,10am}$	means the price of silver spot at 10am , as per Bloomberg ticker: XAG L100 Curncy
$FX_{mid,D,snap\_time}^i$	means the exchange rate fixing based on the FX Spot Source with respect to Index i, as of time snap_time* on D, as specified in ANNEX 1.
$FX_{bid,D,snap\_time}^i$	is the exchange rate fixing calculated as $FX_{mid,D,snap\_time}^i$* (1-C) with respect to Index i
$FX_{ask,D,snap\_time}^i$	is the exchange rate fixing calculated as $FX_{mid,D,snap\_time}^i$* (1+C) with respect to Index i
C	is the currency exchange rate spread, 0.0000049603

$Pts^{i}_{mat,D}$	refers to the ask side of the points for term mat, for FX Forward Currency on day D with respect to Index i as of FX Roll Time, as specified in ANNEX 1
S^{i}_{D}	is the Spot Settlement Date of FX Forward Currency on date D according to Section 7.3
SN^{i}_{D}	is the Spot Next Settlement Date of FX Forward Currency on date D according to Section 7.3
$1W^{i}_{D}$	is the 1 week Settlement Date of FX Forward Currency on date D according to Section 7.3
$FXHedgeSize^{i}_{D}$	refers to the notional invested in the Underlying FX Forward on day D with respect to Index i
$FXPerformance^{i}_{D}$	refers to the performance of the Underlying FX Forward on day D with respect to Index i

7.2 – Miscellaneous

Each Index Level shall be published by the Index Calculation Agent (rounded to three decimal places, with 0.0005 being rounded upwards), as set out in Section 8 (*Publication*).

For the avoidance of doubt, the Index Level is tracked without rounding by the Index Calculation Agent, and all calculations in this Section 7 (*Calculation of the Index*) are based on the unrounded Index Level, while the rounded level is disseminated for publication.

The methodology described in this Section **Error! Reference source not found.** (*Calculation of the Index*) is subject to the provisions set out in Section 10 (*Adjustment and Disruption Provisions*).

7.3 – Settlement Date Calculation

7.3.1: Spot Settlement Date Calculation

The Spot Settlement Date for Index i on date D is calculated as follows:

$$S^{i}_{D} = \left(\mathrm{D} + 1\mathrm{BusinessDay}_{\mathrm{Local(i)}}\right) + 1\ \mathrm{BusinessDay}_{\mathrm{Settlement(i)}}$$

Where:

$\mathrm{BusinessDay}_{\mathrm{Local(i)}}$	A weekday which is not a holiday in the Local Calendar with respect to Index i
$\mathrm{BusinessDay}_{\mathrm{Settlement(i)}}$	A weekday which is not a holiday in the Settlement Calendar with respect to Index i

7.3.2: Spot Next Settlement Date Calculation

The Spot Next Settlement Date for Index i on date D is calculated as follows:

$$SN_D^i = \left(\mathrm{D} + 1\ \mathrm{BusinessDay}_{\mathrm{Local(i)}}\right) + 2\ \mathrm{BusinessDay}_{\mathrm{Settlement(i)}}$$

Where:

$\mathrm{BusinessDay}_{\mathrm{Local(i)}}$	A weekday which is not a holiday in the Local Calendar with respect to Index i
$\mathrm{BusinessDay}_{\mathrm{Settlement(i)}}$	A weekday which is not a holiday in the Settlement Calendar with respect to Index i

7.3.3: 1 week Settlement Date Calculation

The 1 week Settlement Date for Index i on date D is calculated as follows:

$$1W_D^i = (\mathrm{D} + 6\ \mathrm{Calendar\ Days}) + 1\ \mathrm{BusinessDay}_{\mathrm{Settlement(i)}}$$

Where:

$\mathrm{BusinessDay}_{\mathrm{Settlement(i)}}$	A weekday which is not a holiday in the Settlement Calendar with respect to Index i

7.4 – Index Live Date and Retrospective Calculations

The Index has been calculated by the Index Calculation Agent since the Index Live Date on a live basis.

Index performance in respect of the period from (and including) the Index Base Date to (but excluding) the Index Live Date (the "**Back-test Period**") has been simulated and is not actual performance. Accordingly, the Index has been calculated retrospectively by the Index Calculation Agent on a hypothetical basis since the Index Base Date.

The Index was launched by the Index Sponsor on the Index Live Date. The Index has been calculated by the Index Calculation Agent for the period from (and including) the Index Base Date. All prospective investors should be aware that any retrospective calculation of the Index means that no actual investment existed at any time during the period of the retrospective calculation and as such, the performance of the Index is purely hypothetical. Past performance (actual or simulated) is not a guide to future performance.

The methodology and the strategy used for the calculation and retrospective calculation of the Index have been developed with the advantage of hindsight. In reality, it is not possible to invest with the advantage of hindsight and therefore past performance is purely theoretical.

The market conditions which existed during the Back-test Period are not necessarily representative of the market conditions which may exist in the future. In addition, the market conditions in the Back-test Period do not reflect the effect on the relevant markets of the launch of the Index and of the delivery of exposures to the Index through Financial Products, which may include any hedging by the provider or issuer of such Financial Products. Where the Index has been developed to identify and to monetise a particular opportunity in the relevant markets, it should be noted that corresponding investments made by market participants, including any hedging by the providers of Financial Products, may erode such an opportunity, and therefore the hypothetical Index performance in respect of the Back-test Period may overstate the actual performance of any Financial Product.

Section 8 – Publication

Subject to Section 10 (*Adjustment and Disruption Provisions*) below, the Index Calculation Agent will make available (i) the Index Level in respect of each Index Business Day as soon as reasonably practicable after 12:00p.m. London time on each Index Business Day or where, in the sole discretion of the Index Calculation Agent, publication on such Index Business Day is not possible or practicable, the immediately following Index Business Day on the Bloomberg Page or such other source as the Index Sponsor may select from time to time at its reasonable discretion and (ii) details of any adjustments made to the Index as described in Section 10 (*Adjustment and Disruption Provisions*) to Financial Product Investors.

Subject as provided by applicable law or regulation, the Index Sponsor accepts no liability to any person for any publication, suspension of publication or non-publication of the Index Level for any period or in any place.

Any publication described in this Section 8 (*Publication*) may be restricted, except as otherwise provided by law, by means determined as appropriate for such purpose by the Index Sponsor in its reasonable discretion including, without limitation, restricting access to a limited set of persons in accordance with arrangements agreed between MSIP and such persons.

“**Adjustment Event**” means (i) an Underlying FX Forward Disruption Event, (ii) a Disruption Event, (iii) a Force Majeure Event, (iv) an Underlying FX Forward Adjustment Event, (v) a Hedging Disruption Event or (vi) a Market Disruption Event.

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, "control" means ownership of a majority of the voting power of an entity.

“**Bloomberg**” means Bloomberg L.P. or any of its Affiliates, or any successor market price information provider(s).“**Bloomberg Page**” means the Bloomberg page for publication of the Index as per ANNEX 1 hereto or any Successor Source thereto.

“**Calendar Day**” means all days in a year, including weekends and holidays.

“**Change**” has the meaning given to it in Section **Error! Reference source not found.** (*Adjustment procedures, notification and consultation process*).

“**Change in Law**” means there has been a change in applicable law or regulation or the promulgation of or any change in the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation that prevents or will prevent the Index Sponsor and/or the Index Calculation Agent from calculating and/or publishing the Index.

“**Currency Event**” means where a currency which is used in the calculation of the Index is lawfully eliminated, converted, redenominated or exchanged for any successor currency or currencies.

“**Disappearance or Unavailability Event**” means there is (i) a permanent discontinuation of trading in an Index Component or (ii) a disappearance or permanent discontinuance or unavailability of a value in respect of an Index Component that is required to calculated the Index Level, notwithstanding the status of trading in the relevant Index Component (if applicable), or any other source data required to calculate the Index.

“**Disruption Event**” means each of (i) a Change in Law, (ii) a Disappearance or Unavailability Event, (iii) a Price Source Disruption Event, (iv) a Termination of Data Licence or (v) a Currency Event.

“**EU Benchmarks Regulation**” means the regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 ((EU) 2016/1011) (as amended from time to time).

“**Failure to Announce or Publish**” means, in respect of an Underlying FX Forward, the failure by the FX Spot Source to announce or publish any rate used by the Index Sponsor for the purposes of determining the FX Rate in respect of such Underlying FX Forward; provided that, if the Index Sponsor determines that the failure or other announcement or publication to occur is not material for the purposes of the Index, then such circumstance shall not constitute a Failure to Announce or Publish.

“**Financial Product**” has the meaning given to it in Section 2 (*Risk Factors and Investment Considerations*).

“**Financial Product Investor**” has the meaning given to it in Section 2 (*Risk Factors and Investment Considerations*).

“**Force Majeure Event**” means an event or circumstance has occurred beyond the reasonable control of the Index Sponsor (including, without limitation, a systems or IT failure (including, without limitation, a systems breakdown, incomplete or ineffective upgrade, malfunction, malware, virus or other similar circumstances affecting the Index Sponsor’s information technology and related processing systems), fire, flood, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) which directly or indirectly prevents or otherwise affects the determinations of the Index Sponsor and/or the Index Calculation Agent in relation to the Index.

“**FX Forward Currency**” means, in respect of an Underlying FX Forward, as specified in ANNEX 1 hereto.

“**FX Forward Currency Event**” means, in respect of the FX Forward Currency in respect of an Underlying FX Forward, the occurrence of:

(i) an event which affects the convertibility of such FX Forward Currency into the Index Currency;

(ii) an event that generally makes it impossible to deliver (A) the Index Currency from accounts inside the jurisdiction of such FX Forward Currency (the “**FX Forward Currency Jurisdiction**”) to accounts outside such FX Forward Currency Jurisdiction or (B) such FX Forward Currency between accounts inside the FX Forward Currency Jurisdiction in respect of such FX Forward Currency or to a party that is a non-resident of such FX Forward Currency Jurisdiction;

(iii) in respect of any security or indebtedness for borrowed money of, or guaranteed by any Governmental Authority in respect of such FX Forward Currency, the occurrence of a default, event of default or other similar condition or event (however described) including but not limited to, (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or scheduling of principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to a lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee;

(iv) any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority in respect of such FX Forward Currency which deprives the Index Sponsor or any member of the Morgan Stanley Group of all or substantially all of its assets in the FX Forward Currency Jurisdiction of such FX Forward Currency; and

(v) (A)(1) the declaration of a banking moratorium or the suspension of payments by banks, in either case, in the FX Forward Currency Jurisdiction of such FX Forward Currency or (2) the declaration of capital and/or currency control (including, without limitation, any restriction placed on assets in or transactions through any account through which a non-resident of the FX Forward Currency Jurisdiction of such FX Forward Currency may hold assets or transfer monies outside such FX Forward Currency Jurisdiction, and any restriction on the transfer of funds, securities or other assets of market participants from, within or outside of such FX Forward Currency Jurisdiction) or (B) the method of calculating the value of such FX Forward Currency is changed in a material respect, or is in any other way modified so that the conventional market quotation does not, in the opinion of the Index Sponsor, fairly represent the value of such FX Forward Currency, as determined by the Index Sponsor by reference to any market source.

"**FX Spot Source**" means, in respect of an Underlying FX Forward, as specified in ANNEX 1 hereto (or any successor thereto).

"**FX Rate**" means, in respect of each Underlying FX Forward, the official fixing for the forward contracts as published by the relevant FX Spot Source as specified in ANNEX 1.

"**FX Rate Page**" means, in respect of an Underlying FX Forward, the "FX Spot Source" as specified in ANNEX 1 hereto (or any successor thereto).

"**Governmental Authority**" means, in respect of the FX Forward Currency in respect of an Underlying FX Forward, any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the FX Forward Currency Jurisdiction of such FX Forward Currency, as determined by the Index Sponsor.

"**Hedging Disruption Event**" occurs when the Index Sponsor determines that a hypothetical market participant, as a result of a market-wide condition relating to the Index Component or the relevant silver price(s) would (x) be unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind, or dispose of all or a material portion of any hedge position relating to such Index Component or price(s), or (y) incur a materially increased cost in doing so, including due to any tax, duty, expense, fees, capital requirements or other law or regulation.

"**Index Base Date**" means in respect of an Index, the 5^{th} of January 2015.

"Index Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and the LBMA silver auction (12:00PM London time) is scheduled to occur.

"Index Calculation Agent" means Morgan Stanley & Co. International plc.

"**Index Component**" means an Underlying FX Forward as specified in ANNEX 1 hereto.

"**Index Currency"** refers to the unit in which the Index Level is quoted, as per ANNEX 1.

"Initial Index Level" is equal to 10000.000.

"**Index Level**" means, in respect of each Index Business Day, an amount, expressed in the Index Currency, being the level of the Index in respect of such Index Business Day, as determined in accordance with Section 7.1 (*Index Level*).

"Index Live Date" means 11 September 2026.

"**Index Sponsor**" has the meaning given to it in Section 4 (*Index Sponsor)*.

“**Material Change in Content Event**” means, in respect of an Underlying FX Forward, the occurrence since the Index Base Date of a material change or modification in the content, methodology, composition or constitution of such Underlying FX Forward which the Index Sponsor determines is material.

“**Material Change in Formula Event**” means, in respect of an Underlying FX Forward, the occurrence since the Index Base Date of a material change or modification in the formula for or method of calculating the FX Rate in respect of such Underlying FX Forward or other price of the relevant Underlying FX Forward which the Index Sponsor determines is material.

“**Morgan Stanley**” means Morgan Stanley & Co. International plc and its affiliates and associated companies.

“**Price Source Disruption Event**” means any FX Rate Page, or other source data required to calculate the Index is insufficient, inaccurate or unreliable or not available whether due to temporary or permanent discontinuance or failure of the price source for such data or otherwise, as determined by the Index Calculation Agent.

“**Settlement Calendar**” means any weekday where commercial banks are open in New York and the relevant Local Financial Centre as specified in ANNEX 1.

“**Successor FX Forward**” means, in respect of an Underlying FX Forward, a successor FX forward rate of exchange using, in the determination of the Index Sponsor, the same or a substantially similar formula for or method of calculation as used in the calculation of such Underlying FX Forward.

“**Successor Source**” means, in relation to any display page, other published source, information vendor or provider:

(i) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original page or source; or

(ii) if the sponsor of the original page or source has not officially designated a successor display page, other published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from such sponsor).

“**Termination of Data Licence**” means the occurrence of a termination, revocation or suspension of any third-party license agreement or permission pursuant to which data is supplied to compile or calculate the Index.

“**Underlying FX Forward**” means any forward exchange rate specified in ANNEX 1 hereto.

“**Underlying FX Forward Adjustment Event**” means, in respect of an Underlying FX Forward, the occurrence of any of the following events:

(i) “**Disappearance or discontinuation of Underlying FX Forward or FX Rate**”, which means (i) the permanent discontinuation of such Underlying FX Forward or (ii) the disappearance or permanent discontinuance or unavailability of the FX Rate in respect of such Underlying FX Forward and, in any such case, no Successor FX Forward exists;

(ii) "**Underlying FX Forward Modification Event**" which means, in respect of such Underlying FX Forward, a (i) Material Change in Formula Event or (ii) a Material Change in Content Event, as determined by the Index Sponsor; or

(iii) an Underlying FX Forward Administrator/Benchmark Event Date occurs in respect of such Underlying FX Forward.

"**Underlying FX Forward Administrator/Benchmark Event**" means, in respect of an Underlying FX Forward, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of such Underlying FX Forward or the administrator or sponsor of such Underlying FX Forward has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case, with the effect that the Index Sponsor is not, or will not be permitted under any applicable law or regulation to use such Underlying FX Forward in respect of the Index, as determined by the Index Sponsor.

"**Underlying FX Forward Administrator/Benchmark Event Date**" means, in respect of an Underlying FX Forward Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

(i) required under any applicable law or regulation; or

(ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the relevant Underlying FX Forward is not permitted to be used in respect of the Index following such rejection, refusal, suspension or withdrawal.

"**Underlying FX Forward Disruption Event**" means that (i) a Failure to Announce or Publish or (ii) an Underlying FX Forward Market Disruption Event has occurred, in each case, in respect of such Underlying FX Forward.

"**Underlying FX Forward Market Disruption Event**" means in respect of an Underlying FX Forward, the occurrence or existence of an FX Forward Currency Event in respect of the FX Forward Currency in respect of such Underlying FX Forward, as determined by the Index Sponsor.

The Index is calculated on the basis of algorithmic formulas and therefore no discretion can be exercised by the Index Sponsor or the Index Calculation Agent in the calculation of the Index.

However, on occasion, there may be situations requiring adjustments to the Index that are outside the scheduled adjustments. Such adjustments might be made by the Index Sponsor or the Index Calculation Agent by having recourse to discretionary decisions. Any discretion will be used in a commercially reasonable manner and exclusively in order to ensure that the Index continues to reflect, as closely as possible, the underlying economic interest it is designed to represent in the sole determination of the Index Sponsor and the Index Calculation Agent.

10.1 Adjustment Event

Subject as provided in Section 10.2 (*Adjustment procedures, notification and consultation process*), if the Index Sponsor determines in its reasonable discretion that an Adjustment Event has occurred, the Index Sponsor may acting in good faith and a commercially reasonable manner:

(i) substitute any Index Component or relevant silver price(s) which is/are affected by such Adjustment Event with a replacement component, provided that such replacement has substantially similar characteristics to the affected component, having regard to the manner in which the affected component is used in the calculation of the Index (as determined by the Index Sponsor in its sole and absolute discretion) and, if so, will (I) determine the effective date of such substitution and (II) make such adjustment(s) to the terms of the Index as it deems appropriate to account for the effect on the Index of such substitution; and/or

(ii) determine that the FX Rate in respect of any Index Component or relevant silver price(s) which is/are affected by such Adjustment Event in respect of each Index Business Day following the Index Business Day on which such Adjustment Event occurred (the "**Relevant Day**") shall be equal to the FX Rate or price in respect of such Relevant Day; and/or

(iii) make such determinations and/or adjustments to the terms of the Index as it considers appropriate to determine any part of the Index (including, without limitation, the value of any Index Component) or calculate the Index Level in respect of an Index Business Day; and/or

(iv) delay calculating and making available the Index Level until the next Index Business Day on which it determines that no Adjustment Event exists; and/or

(v) cancel the Index and permanently cease to calculate the Index Level.

10.2 Adjustment procedures, notification and consultation process

The Index Sponsor will, subject as provided below, employ the methodology set out in this Description to calculate the Index. While the Index Sponsor currently employs this methodology, no assurance can be given that fiscal, market, regulatory, juridical, financial or, without limitation, any other circumstances will not arise that would, in the view of the Index Sponsor, necessitate or make desirable a modification or change to this Description.

The Index Sponsor may make any amendment to this Description (a "**Change**") which in its determination is not material to Financial Product Investors, including if it is of a formal, minor or technical nature. In this case the Index Sponsor is not required to consult with Financial Product Investors. Details of the Change will be made available by the Index Sponsor in accordance with Section 8 (*Publication*). For the purposes of determining the materiality of a Change, the Index Sponsor shall consider a change to be material if it may have a potentially material effect on any future level of the Index.

In relation to any Change to this Description other than as described in the immediately preceding paragraph (a "**Material Change**") the Index Sponsor will give prior notice to Financial Product Investors that a Material Change is proposed. Details of the Material Change will then be available upon request to the Index Sponsor to allow Financial Product Investors to give any comments on the proposed Material Change.

The Index Sponsor is required to give at least ten Index Business Days' notice of a Material Change before making this, provided that it may reduce this notice period to not less than one Index Business Day in the case of a Material Change which is required to ensure that the Index may be fully hedged on an effective basis by or on behalf of any member of the Morgan Stanley Group. Modifications or adjustments which the Index Sponsor may make include, without limitation, amendments to the methodology, and substitution or removal of underlying Index Components from the Index, which, in each case, may have a negative impact on the performance of the Index.

Any comments from Financial Product Investors and the Index Sponsor's responses to these will be made accessible to Financial Product Investors upon request to the Index Sponsor, except where the comment provider has requested confidentiality. However any such comments and responses may not be available prior to the Material Change being made.

Subject as provided in the MS Benchmark Statement, if any modification or adjustment is made to the composition or calculation of the Index in accordance with Section 10.2 (*Adjustment procedures, notification and consultation process*), the Index Sponsor will make such modifications or adjustments based on market conditions and other relevant factors as in the judgment of the Index Sponsor are necessary to ensure that the Index continues to reflect, as closely as possible, the underlying economic interest it is designed to represent.

10.3 Consequences of Underlying FX Forward Adjustment Events

If an Underlying FX Forward Adjustment Event occurs in respect of an Underlying FX Forward then, the Index Sponsor shall determine whether such event has a material effect on the Underlying FX Forward, and if so shall determine whether any change in the composition or calculation of the Index is required to account for such event and, if so, the procedures under Section 10.1 (*Adjustment Events*) will apply.

10.4 Market Disruption Events

The occurrence or existence of any of the below, as determined by the Index Sponsor (each a "**Market Disruption Event**"):

- any event or any condition (including without limitation any event or condition that occurs as a result of the enactment, promulgation, execution, ratification, change in any application or official interpretation of, or any change in or amendment to, any law (including those laws or regulations that relate to taxation), rule or regulation by any applicable governmental authority) that (i) results in a lack of, or a material decline in, liquidity in the market for trading in any FX Forward Currency that generally makes it impossible, illegal or impracticable for market participants, or hinders, disrupts or impairs their abilities, (a) to convert from one foreign currency to another through customary commercial channels, (b) to effect currency transactions in, or to obtain market values of, such currency, (c) to obtain a firm quote for the related exchange rate or (d) to obtain the relevant exchange rate by reference to the applicable price source; or (ii) leads to or may lead to a currency peg regime;
- (i) the declaration of a banking moratorium or the suspension of payments by banks, in either case, in the country of any currency used to determine the FX Forward Currency exchange rate or (ii) the declaration of capital and/or currency controls (including without limitation any restriction placed on assets in or transactions through any account through which a non-resident of the country of any currency used to determine the currency exchange rate may hold assets or transfer monies outside the country of that currency, and any restriction on the transfer of funds, securities or other assets of market participants from, within or outside of the country of any currency used to determine the applicable exchange rate);
- an event or circumstance (including without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Sponsor and that the Index Sponsor determines affects the related Index in any fashion;
- the method of calculating the value of the FX Forward Currency is changed in a material respect, or is in any other way modified so that the conventional market quotation does not, in the opinion of the Index Sponsor, fairly represent the value of such FX Forward Currency; or
- the Index Sponsor determines that there is a material difference in a relevant FX Forward Currency exchange rate, as determined by reference to the rate source for the related Index and any other market source.
- The failure of Refinitiv or Bloomberg to announce or publish the relevant foreign exchange data or the temporary or permanent discontinuance or unavailability of Refinitiv or Bloomberg service;
- The failure of Bloomberg to announce or publish the LBMA silver price, being the official AM auction price for trading in metal, administered by ICE Benchmark Administration on behalf of London Bullion Market Association (“LBMA”) or the temporary or permanent discontinuance or unavailability of the Bloomberg service or the LBMA silver price;
- Any material suspension of, or material limitation imposed on, trading in silver either on-exchange or on an OTC basis; the imposition of, change in or removal of an excise, severance, sales, use value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to silver (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority; any event beyond the control of the Index Sponsor as a result of which delivery of silver bullion cannot be effected by crediting an unallocated silver account; or any other event or condition that results in the restriction of the market participants ability to receive, deliver or hold silver.

Section 11 – Errors and Correction

If:

- any FX Rate in respect of any Index Component or other variable, input or other parameter that is used to calculate the Index is subsequently changed or corrected and the change or correction is published on the relevant FX Rate Page or other data source (as applicable); or
- the Index Calculation Agent identifies an error or omission in any of its calculations or determinations with respect to the Index Level in respect of any Index Business Day (including, without limitation, following an incorrect implementation of the methodology set out in this Description, an error in data entry, or a manual or system error),

then, in each case, the Index Sponsor may correct and restate any published Index Level in respect of any relevant Index Business Day (including, without limitation, a correction and restatement of the Index Level published for any relevant Index Business Day with retrospective effect) and/or each subsequent Index Business Day. Upon the occurrence of such event, the Index Calculation Agent shall inform the Index Sponsor and MSIP promptly.

The Index Sponsor will determine whether such error requires a change in the composition or calculation of the Index and, if so, the procedures under Section 10.2 (*Adjustment procedures, notification and consultation process*) will apply.

Section 12 – Governance

Morgan Stanley has adopted the “Principles for Financial Benchmarks” published by the International Organization of Securities Commissions ("**IOSCO**") on 17 July 2013 (the “**Principles**”) on a proportionate basis.

The Index and this Description have been approved in accordance with and are subject to the internal governance procedures implemented by Morgan Stanley in compliance with the Principles and managed by an internal oversight committee (the “**Index Committee**”).

The Index Committee will review the Index and this Description on an annual basis or more frequently in accordance with Morgan Stanley internal policies applicable to the Index, to ensure that the Index still continues to reflect the economic interests it intends to measure.

The functions of calculation and valuation of the Index on each Index Business Day, as described in this Description, are carried out by a separate team at Morgan Stanley which is organisationally independent from the Index Sponsor.

The remuneration of the team which carries out the function of the Index Calculation Agent is not linked to the performance of the Index.

The latest version of this Description will be published on a website of the Index Sponsor. The Index Components (and, if relevant, their effective weights) will be published on a website of the Index Sponsor.

The Index has not been created and calculated at the request of one, or a very limited number of, market participants and according to the specifications of those market participants.

Notwithstanding Section 10 (*Adjustment and Disruption Provisions*), the Index Sponsor may, in its sole discretion, after consultation with the Index Committee (except where, in the circumstances set out under (c) below, such consultation is not possible), discontinue calculating and publishing the Index at any time upon the occurrence of any of the following if as a result of a market disruption event or an adjustment event, an adjustment to and/or calculation of the Index is no longer reasonably possible or practical, in the determination of the Index Sponsor; or

a) as outlined in Section 10 (*Adjustment and Disruption Provisions*), as the result of an Adjustment Event;
b) the Index Sponsor and/or, where no successor to it is available in the determination of the Index Sponsor, the Index Calculation Agent terminates its index/strategy publication or calculation (as applicable) business;
c) the Index Sponsor and/or the Index Calculation Agent is subject to a voluntary or involuntary liquidation, dissolution or winding-up or institutes or has instituted against it, by a regulator, supervisor or other similar official, a proceeding seeking a judgment of insolvency or bankruptcy or other similar proceedings;
d) subject as provided by applicable law or regulation, the Index Sponsor determines that it shall no longer continue to publish the Index; and/or
e) the Index Sponsor determines in its sole and absolute discretion that the Index is or will be no longer representative of the economic reality it was intended to measure.

Upon any such discontinuance, the Index Sponsor will use commercially reasonable efforts to publicly announce such discontinuance as soon as is reasonably practicable prior to the effective date.

The Index Sponsor shall determine if a credible alternative Index is available for Financial Product Investors to transfer their investment into and, to the extent reasonably possible, it shall maintain the original Index in existence in order to facilitate an orderly transition of the Financial Product Investors' investment.

Section 14 – Important Information

The Morgan Stanley Group has a complaints management policy and procedures for receiving, investigating and retaining records concerning complaints, details of which can be provided on request by emailing complaintsms@morganstanley.com. If an investor has a complaint about the Morgan Stanley Group, they should raise it in the first instance with the employee acting for them. If they are not satisfied with the response of that employee (or if they prefer not to raise the matter with that employee) they may email the Compliance Department at complaintsms@morganstanley.com.

ANNEX 1

	Index	Underlying FX Forward	FX Forward Currency	Index Currency	FX Roll Time	Local Financial Centre/Local Calendar	FX Spot Source (Mid) (Refinitiv WM Hourly Fixing)	S/N, 1W Source (Bloomberg)	Bloomberg Page
1	Morgan Stanley EUR Daily Hedged Physical Silver Index	EUR/USD	EUR[1]	XAG	11:00 am LN	Target [TGT]	Bloomberg Ticker: EURUSD WMIS Curncy	S/N: EU3D L110 Curncy 1W: EU1W L110 Curncy	MSCESLEU
2	Morgan Stanley GBP Daily Hedged Physical Silver Index	GBP/USD	GBP[2]	XAG	11:00 am LN	London [LNB]	Bloomberg Ticker: GBPUSD WMIS Curncy	S/N: GBPSN L110 Curncy 1W: BP1W L110 Curncy	MSCESLBP

[1] Prior to and excluding 19-Jan-26, the FX Spot Source (Mid) shall reference the fixing as determined by Bloomberg Ticker: EURUSD L110 Curncy.

[2] Prior to and excluding 19-Jan-26, the FX Spot Source (Mid) shall reference the fixing as determined by Bloomberg Ticker: GBPUSD L110 Curncy.