

**CAPITAL AT RISK
CAPITAL PROTECTED**



APRIL 2014

The Eurostoxx Bonds 3

Warning: The Partial Protected Option is not Capital Protected. If you invest in this Bond option you can lose some or all of the money you invest.

merrion
SOLUTIONS

STRUCTURED INVESTMENTS

Merrion Solutions is a division of Merrion Stockbrokers Limited. Merrion Stockbrokers Limited is regulated by the Central Bank of Ireland. Merrion Stockbrokers limited is a member of the Irish Stock Exchange and the London Stock Exchange.



Merrion Solutions is a division of Merrion Stockbrokers Limited developed with the needs and objectives of Irish Financial Brokers at the forefront of everything we do.

There are two strands to the business:

- We have combined the expertise of Duggan Asset Management and Merrion Stockbrokers Limited to develop a new and innovative **Structured Investments** business. This business will provide Investment Solutions that empower Financial Brokers and their clients in navigating a course from deposits back to normal investment portfolio construction.
- **myfunds**: We have created a Financial Broker friendly Stockbroking solution that combines Merrion's Investment Management and Stockbroking capability into one low cost, transparent and potentially tax efficient offering.

For more information, please call (01) 2404188, email solutions@merrion-capital.com or visit www.merrionsolutions.com.

Merrion Structured Investments

Merrion Structured Investments is passionate about creating the **leading and most innovative Investment Solutions in the Irish market.**

We will create a series of **exciting new Investment Solutions for Financial Brokers and their clients each calendar quarter.**

Our Investment Strategies and Solutions will be **Research Driven.** By combining the resources of Merrion Investment Managers, Merrion Stockbrokers and other leading international investment experts, our Investment Solutions will have a **strong economic and investment logic** and will represent international best practice in construction.

Merrion Structured Investments operates an **Open Architecture** platform i.e. we will work with a broad range of Irish & International Bank counterparties. We will work with **high quality investment grade counterparties** when selecting partners to provide Capital Protection or other Investment Risk Controlling or Reducing Mechanisms.

We will focus on providing Investment Solutions with **liquidity.** Where possible, we will create the provision for investors to exit their investment prior to maturity should their circumstances change or if investment performance is higher or lower than anticipated.

Our quarterly Investment Solutions will offer a **choice** of:

- 1. Investment Risk Levels:** From 2 to 5.
- 2. Investment Objectives:** Income, Capital Growth, Hedging Strategies etc.
- 3. Taxation Treatment:** Deposit Interest Retention Tax (DIRT), Capital Gains Tax (CGT) and Income Taxable investments.
- 4. Asset Classes:** Traditional Asset Classes such as equities, bonds and property and Alternative Asset Classes such as commodities, currencies, inflation, interest rates etc.
- 5. Investment Techniques:** Traditional Investment Techniques such as long only with Alternative Investment Techniques such as short selling, arbitrage, relative performance etc.

Our Investment Solutions will be available to a **broad range of investor types**, all of whom can invest via our **myfunds** accounts as follows:

- Personal Investors.
- Pension Schemes: Small Self Administered Pension Schemes and Insured Self Directed or Self Invested Plans.
- Post Retirement Plans: Self Administered ARFs & AMRFs and Insured Self Directed or Self Invested ARF & AMRF Plans.
- Self Administered PRSAs.
- Companies, Credit Unions, Charities and other Not for Profit Organisations.
- Institutional Investors.

Our Philosophy will be the implementation of International Best Practice in Structured Investment Techniques for Financial Brokers and their investor clients in Ireland.

1. Executive Summary of Indicative Terms

- The Eurostoxx Bonds 3 (the Bonds) have 2 options for investors to choose from, the Protected Option and the Partial Protected Option. The Bonds are **innovative new Investment Solutions designed for investors** who wish to invest in Structured Investment Strategies that invest in the European stock market.
- The Protection Bond Option offers **100% Capital Protection at maturity**.
- The Partial Protected Bond Option is a capital at risk product which offers **a risk reducing mechanism to provide a degree of protection from normal stock market risk**. The Bonds are suitable as part of the process of constructing a genuinely diversified investment portfolio.
- The **Investment Rationale**: The investment rationale for investing in European equities can be summarised as:
 1. **Equities as a long term investment**: Although investing in equities involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.
 2. **Performance/Valuation**: The European stock market has not yet recovered to the same extent as the stock markets of other regions. For example, since the low for European Equities in March 2009, the US stock market has recovered to a level above its pre-crisis level whereas the European market has recovered roughly 70% of its pre-crisis high.
- The Protected Bond Option is a Note issued by Morgan Stanley (The Note).
- The Partial Protected Bond Option is a Preference Share linked Certificate issued by BNP Paribas Synergy Limited (The Certificate).
- The Underlying Investment of the Protected Bond Option and the Partial Protected Bond Option is the **Eurostoxx 50 Index**.
- Investors in the Protected Bond Option benefit from **100% Capital Protection** at maturity. Merrion Solutions considers the Protected Bond Option to have a risk score of 2 (Conservative).
- Investors in the Partial Protected Bond Option have their **Capital at Risk**. This means that you may lose some or all of the capital invested in the Partial Protected Bond Option. Merrion Solutions considers the Partial Protected Bond Option to have a risk score of 4 (Prudent) on its risk scale.
- Investors in the Partial Protected Bond Option benefit from a **Soft Capital Protection** feature provided by BNP Paribas. Investors will receive back their initial capital **if the Eurostoxx 50 Index has not fallen by 40% or more at the Final Valuation Date**. If the Eurostoxx 50 Index has fallen by 40% or more at the Final Valuation Date, investors will receive the performance of the index, no matter how much it has fallen.
- Investors in the Protected and Partial Protected Bond Options benefit from **100% Participation** in the increase of the Eurostoxx 50 Index at maturity (if any).
- There is no cap on returns or **no Maximum Return**.
- The Protected Bond Option has a **10 year term**.
- The Partial Protected Bond Option has a **4 year, 6 month term**.
- The Protected Bond Option will be admitted to the Official List of the Irish Stock Exchange and will **trade on the Global Exchange Market**. **Daily liquidity** will be provided to investors that wish to sell the Bond prior to maturity under normal market conditions and at the discretion of Morgan Stanley & Co International Plc.
- The Partial Protected Bond Option will be **listed on the Luxembourg Stock Exchange**. **Daily liquidity** will be provided to investors that wish to sell the Bond prior to maturity under normal market conditions and at the discretion of BNP Paribas Arbitrage S.N.C.
- The **Minimum Investment in each Bond Option is €25,000**.
- The **Closing Date for applications in each Bond Option is 30 May 2014**.
- **Taxation**: In the case of the Protected Bond Option, our understanding is that the potential returns will be subject to **Income Tax** in the case of **Personal investors** and **exempt from taxation** in the case of **Pension and Post Retirement Investors**. In the case of the Partial Protected Bond Option, our understanding is that the potential returns will be subject to **Capital Gains Tax (CGT)** in the case of **Personal Investors** and **exempt from taxation** in the case of **Pension and Post Retirement Investors**.

Warning: This document is provided for information purposes only and is not considered to be an assessment of the suitability or appropriateness for any one investor or group of investors. The suitability or appropriateness of this product to your investment objectives or risk profile should be discussed with your Financial Broker before any investment in this product is made.

Warning: All of the terms outlined in this document are indicative and subject to change. The final terms will not be known until 6 June 2014. Your Financial Broker will confirm the final terms in the Confirmation Certificate issued shortly after the Issue Date on 13 June 2014. If the terms of either Bond Option have changed significantly on 6 June 2014, your Financial Broker will contact you again requesting a new instruction to proceed with the investment.

Disclaimer: This document has not been reviewed, approved or otherwise endorsed by Morgan Stanley or BNP Paribas or any of these bank's affiliates and neither Morgan Stanley nor BNP Paribas accept any responsibility in relation to the accuracy, completeness or adequacy of the information included herein. Nothing in this document should be considered to be a representation or warranty by Morgan Stanley or BNP Paribas to any person, including without limitation, any potential investor and any member of the public, regarding whether investing in the product described herein is suitable or advisable for such person.

2. Description of the Protected Bond and Partial Protected Bond Options

The Bonds are designed for investors who wish to invest in the European stock market. The Bonds are suitable as part of the process of constructing a genuinely diversified investment portfolio.

The Protected Bond Option is a 10 year Morgan Stanley Note. The Note will be issued under Morgan Stanley's Note Programme by way of Final Terms or Pricing Supplement. Copies of the Programme's base prospectus dated 17 July 2013 (which sets out the terms and conditions to be completed by the Final Terms or Pricing Supplement) and any supplements thereto are available www.morganstaneyiq.eu or from your Financial Broker on request.

The Partial Protected Bond Option is a 4 Year, 6 Month BNP Paribas Synergy Preference Share-linked Certificate. The Certificate will be issued under BNP Paribas Arbitrage Issuance B.V.'s Note, Warrant and Certificate Programme by way of Final Terms or Pricing Supplement. Copies of the Programme's base prospectus dated 3 June 2013 (which sets out the terms and conditions to be completed by the Final Terms or Pricing Supplement) and any supplements thereto are available at <https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx> or from your Financial Broker on request.

2.1 The Investment Rationale

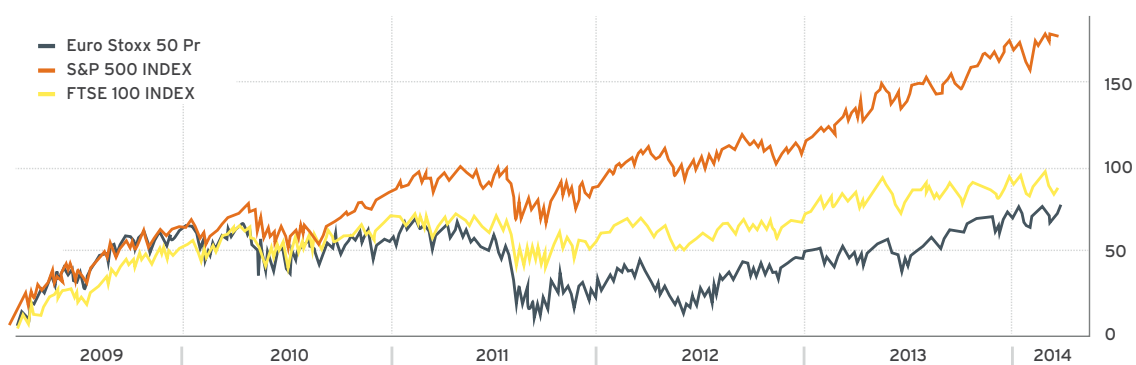
The investment rationale can be summarised as:

- Equities as a long term investment:** Although investing in equities involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.
- Performance/Valuation:** The European stock market has not yet recovered to the same extent as the stock markets of other regions. For example, since the low for European Equities in March 2009, the US stock market has recovered to a level above its pre-crisis level whereas the European market has recovered roughly 70% of its pre-crisis high.

Description	Level
Eurostoxx 50 Index all time high on 31 March 2000	5,249.55
Eurostoxx 50 Index pre crisis high on 16 July 2007	4,557.57
Eurostoxx 50 Index crisis low on 9 March 2009	1,809.98
Eurostoxx 50 Index now on 31 March 2014	3,161.30

Source: Bloomberg
(31 March 2000 to 31 March 2014)

The Eurostoxx 50 Index has increased 74.68% (excluding dividends) since the beginning of the stock market recovery in March 2009. The S&P 500 Index (US equities) and the FTSE 100 Index (UK equities) have increased 176.76% and 86.27% respectively (excluding dividends) over the same period as illustrated in the chart below:



Source: Bloomberg (9 March 2009 to 31 March 2014). Excludes dividends.

Warning: Past Performance is not a reliable guide to future performance.

There have been valid reasons for the European stock market to underperform those of other developed regions (e.g. slower economic growth and the European sovereign debt crisis) since 2009. However, this degree of underperformance between Europe's and other developed region's stock markets has not normally occurred in the long term. Therefore there is the potential that Europe's stock market could close the performance gap that has opened in recent years as the sovereign debt crisis and other economic challenges are overcome. Similarly, it could be the case that given the weaker performance since 2009, the European stock market may have greater capacity to increase than the stock markets of other developed regions given the increases already achieved in these regions.

The Eurostoxx 50 Index

The Eurostoxx 50 Index is defined as Europe's leading Blue-chip index for the Eurozone, provides a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The Eurostoxx 50 Index is licensed to financial institutions to serve as underlying for a wide range of investment products such as Exchange Traded Funds (ETF), Futures and Options, and structured products worldwide.

Source: http://www.stoxx.com/indices/index_information.html?symbol=sx5E

2.2 Who is each Bond suitable for?

- Investors that want to invest in European equities.
- Investors requiring capital protection (Protected Option) or a risk reducing mechanism to provide a degree of protection from normal stock market volatility and risk (Partial Protected Option).
- Investors seeking an investment subject to Income Tax (Protected Option) or Capital Gains Tax (Partial Protected Option) as an alternative to investments subject to DIRT or Gross Roll Up taxation.

PROTECTED OPTION		PARTIAL PROTECTED OPTION	
Investors seeking Capital Protection	✓	Investors seeking Capital Protection	✗
Investors seeking the potential returns that equity markets can provide	✓	Investors seeking the potential returns that equity markets can provide	✓
Investors seeking access to their capital	✓	Investors seeking access to their capital	✓
Investors seeking unlimited investment returns	✓	Investors seeking unlimited investment returns	✓
Investors seeking an Income Taxable investment	✓	Investors seeking an Income Taxable investment	✗
Investors seeking a Capital Gains Taxable investment	✗	Investors seeking a Capital Gains Taxable investment	✓
Investors seeking an Income	✗	Investors seeking an Income	✗

2.3 Indicative Investment Terms of the Bond

The Protected Bond Option

While the final terms of the Bond will not be known until 6 June 2014, based on market conditions on 28 March 2014, the Protected Bond Option is expected to have the following Key Investment Terms:

Indicative Key Feature	Description
Note Issuer	Morgan Stanley
Guarantor	Morgan Stanley
Dealer	Morgan Stanley & Co International Plc
Investment Term	10 years
Capital Protection	Investors will receive back 100% of the initial amount invested at maturity irrespective of the performance of the Underlying Investment.
Underlying Investment	Eurostoxx 50 Index (Bloomberg: SX5E Index)
Potential Return	100% Participation in the growth of the Eurostoxx 50 Index at maturity

Maximum Return	None
Minimum Investment	€25,000
Closing Date	30 May 2014
Strike Date	6 June 2014
Issue Date	13 June 2014
Determination Date	6 June 2024
Maturity Date	13 June 2024
Listing	The Note will be admitted to the Official List of the Irish Stock Exchange and will trade on the Global Exchange Market.
Liquidity	Daily, under normal market conditions and at the discretion of Morgan Stanley & Co International Plc
Taxation	Our understanding is that the potential returns will be subject to Income Tax in the case of Personal Investors and exempt from taxation in the case of Pension and Post Retirement Investors.

The Partial Protected Bond Option

While the final terms of the Bond will not be known until 6 June 2014, based on market conditions on 28 March 2014, the Partial Protected Bond is expected to have the following Key Investment Terms:

Indicative Key Feature	Description
Certificate Issuer	BNP Paribas Synergy Limited
Guarantor	BNP Paribas
Calculation Agent	BNP Paribas Arbitrage S.N.C.
Redeemable Preference Shares Issuer	BNP Paribas Synergy Limited
Investment Term	4 years, 6 months
Soft Capital Protection	Investors will receive back their initial capital invested in the Bond so long as the Eurostoxx 50 Index has not fallen by 40% or more on the Final Valuation Date. In the event that the Eurostoxx 50 Index has fallen by 40% or more on the Final Valuation Date, investors will receive the performance of the Eurostoxx 50 Index, no matter how much it has fallen.
Underlying Investment	Eurostoxx 50 Index (Bloomberg: SX5E Index)
Potential Return	100% Participation in the growth of the Eurostoxx 50 Index at maturity
Maximum Return	None
Minimum Investment	€25,000
Closing Date	30 May 2014
Strike Date	6 June 2014
Issue Date	13 June 2014
Final Valuation Date	6 December 2018
Maturity Date	13 December 2018
Listing	Luxembourg Stock Exchange
Liquidity	Daily, under normal market conditions and at the discretion of BNP Paribas Arbitrage S.N.C.
Taxation	Our understanding is that the potential returns will be subject to Capital Gains Tax (CGT) in the case of Personal Investors and exempt from taxation in the case of Pension and Post Retirement Investors.

Warning: All of the terms outlined in this Brochure are indicative and subject to change. The final terms will not be known until 6 June 2014.

Warning: If you invest in the Partial Protected Option you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Warning: The above information represents our understanding of the taxation treatment of the Bonds but does not constitute tax advice. Investors should satisfy themselves independently of the taxation treatment of each Bond in their particular circumstances.

Warning: Investors should satisfy themselves independently in relation to revenue reporting requirements and the implications of non-disclosure where required.

Warning: Tax rates and the Revenue's policy in relation to the taxation treatment of these instruments are subject to change without notice.

2.4 Sample Return Illustration

The tables below describes potential returns to investors in the Bonds in 5 example negative, neutral and positive investment return conditions at maturity for investors.

Protected Bond Option

Description	Example 1 Negative Return	Example 2 Negative Return	Example 3 Neutral/No Return	Example 4 Positive Return 6% per annum	Example 5 Positive Return 8% per annum
Initial Amount Invested (€)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Increase in Underlying Investment Strategy (%)	-50%	-20%	0%	79.17%	116.03%
Participation Rate (%)	100%	100%	100%	100%	100%
Projected Investment Return (%)	0%	0%	0%	79.17%	116.03%
Projected Gross Investment Return Amount (€)	0.00	0.00	0.00	79,170.56	116,029.11
Return of Capital Protected Amount (€)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Projected Amount returned to Investors before Tax(€)	100,000.00	100,000.00	100,000.00	179,170.56	216,029.11
Annualised Return Before Tax (%)	0.00%	0.00%	0.00%	6.00%	8.00%
Projected Tax Amount at 41% Income Tax (%)	0.00	0.00	0.00	32,459.93	47,571.94
Projected Amount returned to Investors after Tax (€)	100,000.00	100,000.00	100,000.00	146,710.63	168,457.17

Partial Protected Bond Option

Description	Example 1 Negative Return	Example 2 Negative Return	Example 3 Neutral/No Return	Example 4 Positive Return 6% per annum	Example 5 Positive Return 8% per annum
Initial Amount Invested (€)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Increase in Underlying Investment Strategy (%)	-50%	-20%	0%	28.79%	39.68%
Participation Rate (%)	100%	100%	100%	100%	100%
Projected Investment Return (%)	-50.00%	0%	0%	28.79%	39.68%
Projected Gross Investment Return Amount (€)	-50,000.00	0.00	0.00	28,792.29	39,682.35
Return of Investment Capital (€)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Projected Amount returned to Investors before Tax(€)	50,000.00	100,000.00	100,000.00	128,792.29	139,682.35
Annualised Return Before Tax (%)	0.00%	0.00%	0.00%	6.00%	8.00%
Projected Tax Amount at 33% Capital Gains Tax (%)	0.00	0.00	0.00	-9,501.46	-13,095.18
Projected Amount returned to Investors after Tax (€)	50,000.00	100,000.00	100,000.00	119,290.83	126,587.17

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past Performance is not a reliable guide to future performance.

Warning: If you invest in the Partial Protected Bond Option you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

2.5 Soft Capital Protection feature of the Partial Protected Option

Investors in the Partial Protected Bond Option will receive back 100% of their initial investment in the Bond so long as the Eurostoxx 50 Index has not fallen by 40% or more on the Final Valuation Date. In the event that the Eurostoxx 50 Index has fallen by 40% or more on the Final Valuation Date, investors will receive the performance of the Eurostoxx 50 Index, no matter how much it has fallen. The table below illustrates the level of capital returned to investors in example negative, neutral and positive investment return conditions:

Projected Investment Return Conditions at Final Valuation Date	Projected Performance of the Eurostoxx 50 Index during the Term	Projected Performance of the Eurostoxx 50 Index on the Final Valuation Date	Projected Proportion of Initial Capital returned to the Investor
Very Negative	-65%	-60%	40%
Very Negative	-65%	-35%	100%
Negative	-20%	-10%	100%
Neutral	-10%	+5%	100%
Positive	-4%	+35%	100%
Very Positive	0%	+120%	100%

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: Past Performance is not a reliable guide to future performance.

Warning: If you invest in the Partial Protected Option you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

2.6 Investment Risk

Merrion Solutions considers the **Protected Option to have a risk score of 2** and the **Partial Protected Option to have a risk score of 4** on its risk scale as follows:



Warning: If you invest in the Partial Protected Bond Option you may lose some or all of the money you invest.

Warning: The value of your investment can go down as well as up.

2.7 Liquidity

The Protected Bond Option

The underlying Morgan Stanley Note will be admitted to the Official List of the Irish Stock Exchange and will trade on the Global Exchange Market and are tradable investments (subject to the Warnings below), issued by Morgan Stanley.

Morgan Stanley & Co International Plc will endeavour to make a secondary market in the Note, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Note such as, but not limited to, the remaining time to the Maturity Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads and any incidental costs etc. To the extent Morgan Stanley & Co International Plc holds Notes and Certificates that it can offer and subject to it being satisfied that normal market conditions prevail, such prices will have a bid-offer spread no greater than 1.00% in normal market conditions.

Morgan Stanley & Co International Plc may determine a bid and offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. Morgan Stanley & Co International Plc be the only market maker in the Note which may affect liquidity.

Therefore, investors will, in normal market conditions be able to sell the Note at any time during the term. The price at which the Note can be sold will be the open market value determined by Morgan Stanley & Co International Plc which will take fees and charges into account and can be lower than the initial amount invested.

Warning: No representation is made as to the existence of a market for the underlying Morgan Stanley Note. Morgan Stanley & Co International Plc will endeavour to make a secondary market in the Note, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Note such as, but not limited to, the remaining time to the Maturity Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads, and any incidental costs etc.

Warning: Morgan Stanley & Co International Plc may determine a bid and offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. Morgan Stanley & Co International Plc may be the only market maker in the Note which may affect liquidity.

The Partial Protected Bond Option

The underlying BNP Paribas Certificate will be listed on the Luxembourg Stock Exchange and is a tradable investment (subject to the Warnings below), issued by BNP Paribas Arbitrage Issuance B.V.

BNP Paribas Arbitrage S.N.C. will endeavour to make a secondary market in the Certificate, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Certificate such as, but not limited to, the remaining time to the Maturity Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads and any incidental costs etc. To the extent BNP Paribas Arbitrage S.N.C. holds Certificates that it can offer and subject to it being satisfied that normal market conditions prevail, such prices will have a bid-offer spread no greater than 1.00%.

BNP Paribas Arbitrage S.N.C. may determine a bid and offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. BNP Paribas Arbitrage S.N.C. may be the only market maker in the Certificate which may affect liquidity.

Therefore, investors will, in normal market conditions be able to sell the Certificate at any time during the term. The price at which the Certificate can be sold will be the open market value determined by BNP Paribas Arbitrage S.N.C. which will take fees and charges into account and can be lower than the initial amount invested.

Warning: No representation is made as to the existence of a market for the underlying BNP Paribas Certificate. BNP Paribas Arbitrage S.N.C. will endeavour to make a secondary market in the Certificate, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Certificate such as, but not limited to, the remaining time to the Maturity Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads, and any incidental costs.

Warning: BNP Paribas Arbitrage S.N.C. may determine a bid and offer price in a different manner than other market participants and prices can vary. Sometimes this variance may be substantial. BNP Paribas Arbitrage S.N.C. may be the only market maker in the Certificate which may affect liquidity.

General Liquidity Warnings

Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells either Bond prior to the end of the 10 year or 4 year, 6 month term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

Warning: If you invest in the Partial Protected Bond Option you may lose some or all of the money you invest.

Warning: The value of your investment can go down as well as up.

2.8 Fees & Charges

The Fees & Charges associated with the Bonds are fully reflected in the terms. This means that they are built into the price paid for each Bond.

The Protected Bond Option

The parties involved in the Protected Bond Option are expected to receive the following indicative commissions:

1. Merrion Solutions: 4%.
2. Financial Brokers: Out of this commission amount, Merrion Solutions will pay 2.5% of the amount invested to its appointed Financial Brokers for introducing clients to Merrion Solutions to invest in the Bond.

The total indicative commission payable to the parties involved in the Bond is 4% of the amount initially invested (based on market conditions on 28 March 2014). This commission amount will be reflected in the quoted price of the Bond if sold prior to maturity.

Pension and Post Retirement investors making an investment through their Friends First Self Directed Plan will have a transaction fee of €75 deducted from their account when investing in the plan and a further €75 deduction if they sell the investment prior to any of the normal maturity dates.

The Partial Protected Bond Option

The parties involved in the Partial Protected Bond Option are expected to receive the following indicative commissions:

1. Merrion Solutions: 4.5%.
2. Financial Brokers: Out of this commission amount, Merrion Solutions will pay 2.5% of the amount invested

to its appointed Financial Brokers for introducing clients to Merrion Solutions to invest in the Bond.

The total indicative commission payable to the parties involved in the Bond is 4.5% of the amount initially invested (based on market conditions on 28 March 2014). This commission amount will be reflected in the quoted price of the Bond if sold prior to maturity.

Pension and Post Retirement investors making an investment through their Friends First Self Directed Plan will have a transaction fee of €75 deducted from their account when investing in the plan and a further €75 deduction if they sell the investment prior to any of the normal maturity dates.

Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells either Bond Option prior to the end of the 10 year or 4 year, 6 month term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

2.9 Administrative Process

All of the Key Features outlined in this document are indicative and the final investment terms will not be known until 6 June 2014. Investors will be advised of the final terms of each Bond in the Confirmation Certificate issued within 5 business days of the Issue Date on 13 June 2014.

The Bonds have been designed for Personal, Pension and Post Retirement Investors. Pension and Post Retirement Investors can invest via the following types of schemes:

- Self Invested or Self Directed Insured Pension Schemes.
- Self Invested or Self Directed Insured Approved Retirement Funds (ARFs) and Approved Minimum Retirement Funds (AMRFs).
- Small Self Administered Pension Schemes (SSAPs).
- Self Administered ARFs and AMRFs.
- Self Administered PRSAs.
- Self Invested or Self Directed Insured PRSAs
- Self Invested or Self Directed Insured Buy out Bonds or Pre Retirement Bonds.

Investors in the Bonds must invest via a Merrion Solutions myfunds account (except investors via insured pension arrangements). Investors must complete and sign the Application Forms below. Your Financial Broker will assist you in completing your Application Form and in submitting the required documentation.

2.10 What happens if I die before the Bond Matures?

In the event of death of a sole investor or a surviving joint investor, the Bond Options may be held by the administrators of the estate until maturity. Alternatively, the Bonds may be sold prior to Maturity, subject to normal probate regulations, at its realisable value which may be lower than the original amount invested and lower than the Capital Protected or Soft Capital Protected amounts. The proceeds from the sale of either Bond as a result of death will be paid to your Merrion myfunds account or in the case of an insured pension or post retirement investor, to the investing life company.

Warning: Deductions for charges and expenses are not made uniformly throughout the life of the products, but are loaded disproportionately onto the early period. If an investor sells either Bond Option prior to the end of the 10 year or 4 year, 6 month term as a result of death, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

2.11 Taxation

The Protected Bond Option

It is our understanding that the Potential Return will be subject to Income Tax in the case of Personal Investors and exempt from taxation in the case of Pension and Post Retirement Investors. Other additional taxes may be payable depending on the circumstances of each individual investor. However, the taxation treatment of the Bond will be based on Revenue's policy at the time of the realising of any gain and on the individual circumstances of each investor.

The Partial Protected Bond Option

It is our understanding that the Potential Return will be subject to Capital Gains Tax (CGT) in the case of Personal Investors and exempt from taxation in the case of Pension and Post Retirement Investors. However, the taxation treatment of the Bond will be based on Revenue's policy at the time of the realising of any gain and on the individual circumstances of each investor.

Warning: The above information represents our understanding of the taxation treatment of the Bond Options but does not constitute tax advice. Investors should satisfy themselves independently of the taxation treatment of each Bond in their particular circumstances.

Warning: Investors should satisfy themselves independently in relation to revenue reporting requirements and the implications of non-disclosure where required.

Warning: Tax rates and the Revenue's policy in relation to the taxation treatment of these instruments are subject to change without notice.

3. General Risk Warnings

Warning: If Morgan Stanley or BNP Paribas defaults or goes bankrupt you may lose some or all of your investment and because you are investing in a Note or Certificate issued by Morgan Stanley or BNP Paribas and not a bank deposit, you will not be eligible for compensation under any Deposit Guarantee or Deposit Compensation Scheme.

Warning: The Partial Protected Bond Option is not Capital Protected. If you invest in this Bond you can lose some or all of the money you invest.

Warning: The Note underlying the Protected Bond Option is a senior unsecured obligation of Morgan Stanley and all payments on the Note, including the repayment of principal, are subject to the credit risk of Morgan Stanley. Credit ratings can be a useful way to compare the credit risk associated with different product providers and related investments. Credit ratings are assigned by independent companies known as ratings agencies and reviewed regularly. The guarantor, Morgan Stanley's long term credit rating as at 28 March 2014 is Baa2 from Moody's (its equivalent rating by Standard and Poor's is A- and from Fitch is A). You should note that Moody's rate companies from Aaa (Most Secure/Best) to C (Most Risky/ Worst), while Standard & Poor's and Fitch rate companies from AAA (Most Secure/Best) to D (Most Risky/ Worst). Each of Moody's, Standard & Poor's and Fitch are independent ratings agencies. These credit ratings are reviewed on a regular basis and are subject to change by these agencies.

Warning: The Certificate underlying the Partial Protected Bond Option is a debt obligation of BNP Paribas Arbitrage Issuance B.V. and all payments on the Certificate, including the repayment of principal, are subject to the credit risk of BNP Paribas. Credit ratings can be a useful way to compare the credit risk associated with different product providers and related investments. Credit ratings are assigned by independent companies known as ratings agencies and reviewed regularly. The guarantor, BNP Paribas' long term credit rating as at 28 March 2014 is A2 from Moody's (its equivalent rating by Standard and Poor's is A+ and from Fitch is A+). You should note that Moody's rate companies from Aaa (Most Secure/Best) to C (Most Risky/ Worst), while Standard & Poor's and Fitch rate companies from AAA (Most Secure/Best) to D (Most Risky/ Worst). Each of Moody's, Standard & Poor's and Fitch are independent ratings agencies. These credit ratings are reviewed on a regular basis and are subject to change by these agencies.

Warning: Both Bond Options are for Distribution by way of a Private Offer in the Republic of Ireland only.

Warning: Investors in both Bond Options will not benefit from dividends or coupons from the Underlying Investments and do not directly invest in these shares.

Warning: The Underlying Investments can be volatile.

Warning: Investors should not read this document alone but should also read the associated prospectus which is obtainable from Merrion Solutions or from your Financial Broker where the Terms & Conditions and a full list of Warnings are provided.

Warning: Merrion Solutions has not provided any financial, legal, regulatory, tax, accounting or investment advice and does not accept any responsibility for the appropriateness or suitability of the Bonds for any investor.

Warning: This product may be affected by changes in currency exchange rates.

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 Bond and to review the Base Prospectus.

INDEX DISCLAIMER

The Eurostoxx 50 Index is the intellectual property (including registered trade marks) of Stoxx Limited, Zurich, Switzerland, (the "Licensor"), which is used under licence. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by the Licensor and the Licensor shall not have any liability with respect thereto.

Complaints Procedure

Merrion Solutions aims to provide the highest quality of customer service at all times. If you have any complaint, please contact Merrion Compliance, Block C, The Sweepstakes Centre, Dublin 4.

If you are dissatisfied with the outcome of our efforts to resolve your complaint you may refer your complaint to the Financial Services Ombudsman's Bureau, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

Lo Call: 1890 88 20 90; Telephone (01) 6620899; Fax (01) 6620890. e-mail: enquiries@financialombudsman.ie

Bond Application Form

Please note that by signing this Application Form, you are confirming that you have read and understood the material in this Brochure, the base prospectus and have received advice from your Financial Broker in relation to the suitability of this investment for you. If you are unclear about any of the information presented in this Brochure, the base prospectus, the Merrion Stockbrokers Terms of Business or about the suitability of this investment for you, please seek further advice before completing this Application Form.

Please complete Section A, B or C and the Declaration of the following document in BLOCK CAPITALS and return along with your cheque/draft made payable to Merrion Stockbrokers Limited (or the investing life company where an investment is made on behalf of a Self Directed or Self Invested Insured Pension Plan).

I/We hereby apply for the Eurostoxx Bonds 3 in the name(s) of:

A. Personal Investors

Primary Name:	Date of Birth:
Address:	Occupation:
	Email Address:
Telephone Number (Home):	Mobile Number:
Secondary Name:	Date of Birth:
Address:	Occupation:
	Email Address:
Telephone Number (Home):	Mobile Number:

If your investment is being made together with another person you acknowledge that the investment will be a joint investment between the persons named herein.

B. Pension/Post Retirement Investors

Scheme Name:	Pre or Post Retirement:
Scheme Provider Name:	Scheme Type: <small>(e.g. Small Self Administered Scheme, Self Administered PRSA, Self Invested/Self Directed)</small>
Policy/Plan/Account No:	
Revenue Tax Reference No:	Scheme Provider Address:

C. Company or Credit Union Investors

Entity Name:	Credit Union/Company Registration No:
Address:	Primary Contact Name:
	Primary Contact Number
Telephone Number:	Fax Number:
Email Address:	Website Address:

I/We wish to invest € _____ in the Protected Bond Option
 or I/We wish to invest € _____ in the Partial Protected Bond Option
 (€25,000 minimum in denominations of €1,000)
 and to open an Execution Only myfunds account to do so.

Investor Type (please tick the appropriate box):

- Personal Investor
- Self Administered Pension or Post Retirement Scheme Revenue No: _____
- Self Invested/Self Directed Pension or Post Retirement Plan Plan No: _____
- Company Investor Company No: _____
- Credit Union Credit Union No: _____
- Other Please specify: _____

Investor Declaration: I/We declare that (i) the details above are correct, that I/We are over 18 and confirm that I/We understand and accept the Indicative Key Features of the Bonds set out in this Brochure and the base prospectus. I/We confirm that the Indicative Key Features of the Bond chosen are consistent with my/our Investment Objectives and Risk Profile. I/We understand that the indicative terms outlined in this document are subject to change and that the final terms will not be known until 6 June 2014. I/We confirm that we understand that The Partial Protected Bond Option is not a Capital Protected Investment and that I/We can lose some or all of the amount I/we invest. I/We understand that the investment will not be deemed to have been made until the application has been accepted and that, if and when accepted, the investment will commence on 13 June 2014.

Where applicable, I/We hereby request and authorise you: (a) place my/our Investment Amount in a Client Asset Account in the name of Merrion Stockbrokers Limited.

Primary Signature:

Date:

Secondary Signature:

Date:

Warning: The Partial Protected Bond Option is not Capital Protected. If you invest in this product you may lose some or all of the money you invest.

Warning: The value of your investment can go down as well as up.

Financial Broker Declaration: I/We confirm the following:

Having conducted a full review of this investor's financial circumstances, that the Bond chosen is consistent with the investor's Investment Objectives and Risk Profile. That we have advised the investor that the Partial Protected Bond 3 is not Capital Protected and that we have advised each investor that they can lose some or all of the amount invested in this option. We have complied in full with the Anti Money Laundering (AML) and combating terrorist system that applies to all designated bodies with effect from 15 July 2010. Where an investor has been identified as potentially vulnerable (e.g. over 60 years of age) we have followed our internal procedures in this regard.

Firm Name:

Print Financial Broker Name:

Date:

Financial Broker Signature:

myfunds Application Form

Merrion Solutions is a division of Merrion Stockbrokers Limited. Merrion Stockbrokers Limited is regulated by the Central Bank of Ireland. Merrion Stockbrokers Limited is a member firm of the Irish Stock Exchange and the London Stock Exchange.

Please complete Section A, B or C and Sections D & E of the following document in BLOCK CAPITALS

A. Personal Accounts

Primary Name:	Date of Birth:	
Address:	Occupation:	
	Email Address:	
Telephone Number (Home):	Mobile Number:	

Secondary Name:	Date of Birth:	
Address:	Occupation:	
	Email Address:	
Telephone Number (Home):	Mobile Number:	

Joint Account Mandate (if applicable):

Investment Instruction
Merrion will be entitled to act on the investment instructions of any of the named parties to this account, unless otherwise directed in writing.

Bank Transfers/Cheque Requests (Please tick one box for joint accounts)
We confirm that any instruction regarding the transfer of funds (including to a third party) can be accepted by Merrion from any of the named parties to this application.
OR
We confirm that any instructions regarding the transfer of funds (including to a third party) can only be accepted by Merrion when instructed by all of the named parties to this application.

Investor 1:	Signed:	Date:
Investor 2:	Signed:	Date:
Authorised Signatory: (if applicable)		Date:

Print Name of Authorised Signatory:	Relationship to above account:
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B. Pension/Post Retirement Account

Scheme Name:	Pre or Post Retirement:
Scheme Provider Name:	Scheme Type: <small>(e.g. Small Self Administered Scheme, Self Administered PRSA, Self Invested/Self Directed)</small>
Policy/Plan/Account No:	
Revenue Tax Reference No:	Scheme Provider Address:

C. Company/Credit Union Accounts

Corporate Mandate
It was resolved that:
Merrion Stockbrokers Limited (Merrion) is hereby requested to open one or more accounts in the name of _____ (hereunder called the "client") and is hereby authorised to act on instructions relating to the accounts, affairs or transactions of the client provided that they are provided in writing, by telephone, fax or email on behalf of the client by any of the following:

Director/Authorised Signatory Name (Block Capitals):	Specimen Signature:
A	
B	

Please provide 2 authorised signatories but note that Merrion may accept instructions from either party.

We undertake that:

1. Merrion will be informed in writing of any amendments to the schedule of authorised signatories or mandate powers. Copies of amending instructions to be provided to Merrion in respect of all such changes.
2. Merrion has been supplied with the appropriate account application form signed in accordance with the resolution above incorporating the terms of business to the operation of the account and under which the client shall be bound.
3. This resolution has been communicated to Merrion and will remain in force until an amending resolution shall be passed by the Board of the aforementioned Company and a copy thereof certified by the Chairperson of the Meeting shall be communicated to Merrion.

I certify the above to be a true copy of the original Resolution duly passed by the Board of the aforementioned Company at a meeting held on ____ / ____ / ____

Chairperson/Secretary:

Date:

ALL ACCOUNTS**D. Bank Details (this is required to make payments to your account):**

Name of Bank & Branch:	Account Name:
Sort Code:	Account Number:
IBAN:	BIC:

Investment Experience (provided to assess appropriateness of investment):

Do you have relevant experience transacting in equities, corporate bonds, unquoted investments, government bonds, derivatives (including Contracts for Differences) or any other investment instruments?

Yes

No

If yes, please provide the following:

Transaction Type and Number of Years Experience:
Type of instruments you have transacted in (e.g. equities, bonds etc.):
Average transaction size:
Frequency of Transactions:
Details of qualifications / memberships of professional bodies which may be relevant:
Any other information which may be relevant (e.g. occupation, other educational experience etc.):

E. Declarations

You are signing below that you have received, read and understood our Terms of Business. If you are not clear on any of the provisions in our Terms of Business, please do not sign below before discussing with your Financial Broker.

I/We accept that I/we have received, read and understand your Terms of Business and the conditions governing the application and agree and consent to be bound by them.

I/We accept that we are receiving an execution-only service from Merrion and will not be receiving any advice or any assessment of suitability from Merrion in relation to any of my investments.

I/We accept that I/we am/are opening this account for the sole purpose of the execution of the order to but the Eurostoxx Bonds 3. I/We have not received any advice from Merrion in relation to this Execution Only Account.

I/We confirm that the information provided in this Application Form is true and correct and I/we undertake to inform you of any material changes to my/our circumstances.

Under the Data Protection (Amendment) Act 2003, I/we agree that the information provided by me/us may be held by Merrion and used for the purposes registered under the Data Protection (Amendment) Act 2003, including general business purposes, credit decisions and marketing.

I/We confirm and accept my/our agreement and consent to your policies outlined in the Terms of Business including, but not limited to, those listed below:

Section 4 - Margined/Leveraged Transactions
 Section 6 - Client Cash/Investments
 Section 7 - Custody of your Investments
 Section 10 - Lien & Default Remedies
 Section 11 - Conflicts of Interest
 Section 12 - Aggregation of Orders
 Section 18 - Order Execution Policy

Investor 1:	Signed:	Date:
Investor 2:	Signed:	Date:
Authorised Signatory: (if applicable)	Date:	
Print Name of Authorised Signatory:	Relationship to above account:	

*Solutions
for Irish
Financial
Brokers*

merrion

SOLUTIONS

Merrion Solutions,
Block C, The Sweepstakes Centre,
Ballsbridge, Dublin 4.

www.merrionsolutions.com

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