

June 2025

## **A Message to Morgan Stanley Institutional Securities Group Fixed Income Clients**

### **Re: Fixed Income & Commodities Trading Practices and Information**

This letter is part of our ongoing effort to provide transparency to our clients on our business practices. The contents of this letter are also available at [Disclosures](#) and may be updated from time to time<sup>1</sup>. As we enter into transactions with you based upon a mutual understanding of the terms and conditions of our dealing, it is important that you read this letter to understand how we may trade in relation to your expressions of interest or orders (as applicable) in fixed income and commodities products (collectively, “FIC Transaction Requests”) and otherwise engage with you and others in the fixed income and commodity (“FIC”) markets generally. This includes our management of conflicts of interest that may exist or arise in our principal dealing and market making activities. To the extent that you continue to enter into fixed income and commodities transactions with us, it will be on the basis that you have read, understood and accepted these terms.

The organization of our letter and the key topics covered are as follows:

- Overview
- Principal Trading & Market Making
- Liquidity Sourcing
- Client Information
- Risk & Other Disclosures (Including Inter-Bank Offered Benchmarks)
- Conclusion
- Annex A – Pricing Factors
- Annex B – Foreign Exchange, Precious Metals & Fixed Income Bonds & Swaps, Including: Electronic Quote-Based Trading, Electronic Order-Based Trading (Fusion) & Benchmark Orders
- Annex C – FMSB Standards (supplementary disclosures)

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<sup>1</sup> For our clients that are family offices and high net worth individuals, this letter also supplements the Morgan Stanley & Co. LLC Client Relationship Summary (CRS) that will be available in our Sales & Trading Disclosures at [Disclosures](#).

## Overview

Morgan Stanley is a global financial services firm and its Institutional Securities Group's fixed income sales & trading businesses (including personnel in its fixed income private side businesses) are engaged in a broad spectrum of FIC activities, including transactions in fixed income securities (including corporate bonds, U.S. Treasuries and other sovereign bonds, municipal bonds and asset-backed securities, and repurchase and reverse repurchase transactions in these securities), loans, over-the-counter and listed futures, swaps, security-based swaps and options (including interest rates, credit and commodities), foreign exchange, physical commodities and commodity derivatives (including natural gas, electricity, environmental attributes, and precious and base metals) and other fixed income and commodities financial instruments (collectively, "FIC Products") for a variety of purposes. Morgan Stanley trades as principal in these markets, and, in its role as a dealer and market maker, does not: (1) make recommendations or provide advice; (2) take orders for FIC Products, except in certain limited product types, such as certain types of transactions in foreign exchange, fixed income exchange traded funds ("ETFs"), listed derivatives, precious metals and other commodities and in certain offerings, such as U.S. Treasury securities via Rates Fusion; or (3) act on an agency or fiduciary basis with respect to any market making transaction, unless specifically agreed with you, and then only where we act with discretion in execution (referred to in certain regions and products, such as securities transactions in the U.S., as being on a "not held" basis).

As Morgan Stanley regularly trades as principal in the FIC markets in connection with its dealing and market making activities for you and other clients, and to hedge its risk with respect to such activities, we may transact as a principal in FIC Products at the same time as, before or after we execute trades resulting from your FIC Transaction Request. In addition, and unless we otherwise agree with you, we may source liquidity through a variety of means, including internal liquidity, external trading venues or interdealer markets. In addition to our own internal market making desks, participants in these venues and markets may include other dealers, market makers, clients and professional trading firms.

## Principal Trading & Market-Making

The FIC markets are predominantly principal markets. Thus, as a market maker, we typically face our clients as principal when executing trades resulting from FIC Transaction Requests and do not act as an agent, broker or fiduciary with respect to our market making activity.<sup>2</sup> Accordingly, we may trade ahead of, alongside or following your transactions: to execute other client transactions (including where such trading is on a systematic, automated basis through the use of algorithms or other execution methodologies); to hedge, pre-hedge or source liquidity for market making purposes (either for your transaction or in connection with other client activity or transactions, such as new issue bond offerings); to liquidate risk resulting from our client facilitation business; as part of a previously commenced strategy; or to execute interest rate or foreign exchange hedges with issuers or facilitate the purchase and/or settlement of

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<sup>2</sup> This includes off exchange block futures and EFRPs per exchange rules.

# Morgan Stanley

securities issued in debt offerings (including where we act as billing and delivery agent). These activities and unrelated Morgan Stanley or third party activity on a principal basis in the same or related FIC Products, as well as prevailing market and liquidity conditions, may impact: whether we execute transactions with you or the prices (including reference prices) of your transactions and/or the time at which your transactions are executed; or the new issue price of any debt offering. These activities may also trigger or delay, or prevent the trigger of, stop loss orders, binary options (such as barriers, knock-ins and knock-outs) or any other events which are dependent on market movements. We employ reasonably designed means to minimize market impact and stand ready to discuss market pricing and execution levels with you at any time. When we act with discretion in executing an order (for example, at “best,” or through an order worked over a period of time and subject to parameters we agree with you), we are not, unless specifically agreed with you, acting as your agent and such order is on a “not held” basis. Morgan Stanley may enter into transactions in the relevant or related instruments through internal sources of liquidity or in the market at different times and prices, including pre-hedging in advance of executing your FIC Transaction Request (which pre-hedging may also include trading in credit default swaps, bonds and other fixed income products in order to manage our counterparty credit risk arising from foreign exchange, interest rate and other derivative transactions between you and Morgan Stanley), in order to offset the risk incurred and ultimately provide you with an overall fill that takes into account these executions. Unless we agree otherwise, the price of any transaction we execute with you may include what we believe to be a reasonable spread, as further described below under “Liquidity Sourcing.”

We may choose to leave a position unhedged or partially hedged, and may adjust any hedge from time to time in our sole discretion. In order to unwind a hedge, we may need to unwind our position by trading in the relevant or related instruments. As a result, we may be adjusting or unwinding hedge positions before the performance date or time for determination of a benchmark, fixing or other reference price or rate, stop loss level or barrier price contained in your transactions, or our hedging strategy may involve greater and more frequent dynamic adjustments to our hedge as market prices approach such benchmark, fixing or other reference rate, stop loss level, or barrier price. All of the above dealing, market-making, hedging and hedge unwind activities may affect the market price (including reference price) of the relevant or related instruments, and thus the probability that a particular event as described above will occur. Regardless of whether or how we choose to hedge, any profit or loss resulting from any hedging activity will accrue to Morgan Stanley.

When negotiating any particular transaction with us, you may ask that we do not trade as a principal ahead of, or alongside, your transaction, or that we execute your instructions in a certain manner, such as through the use of algorithms. Please note that such a request may limit the execution services (including prices, reference prices, spreads and/or transaction execution times) we are able to offer you in any particular case.

## **Liquidity Sourcing**

In certain markets, such as foreign exchange, interest rates (e.g., U.S. Treasuries and other sovereign bonds), precious and base metals and other commodities and credit (e.g., corporate and municipal bonds, U.S. agencies and other mortgage-backed securities or securitized bonds), Morgan Stanley utilizes a number of internally developed tools (e.g., algorithms) designed to access both external and internal sources of liquidity in order for Morgan Stanley, as principal, to provide what we deem to be the most favorable bids and offers, and executions, reasonably available under the circumstances. These tools may include algorithms, internalization engines and/or smart order routers that route full or partial FIC Transaction Requests to various external liquidity sources, including certain trading venues that electronically provide information to us regarding their available and accessible liquidity. Morgan Stanley may benefit from reduced transaction costs when executing through certain internal or external trading venues and, if we have an investment in, or other relationship with, an external venue, Morgan Stanley may receive other benefits as a result of that interest. In addition, all or a portion of your transaction may be filled by internal sources of liquidity rather than any external trading venues. Either way, unless we agree otherwise, Morgan Stanley will trade in a principal capacity, and your execution levels may be inclusive of what we believe to be a reasonable spread above the price at which Morgan Stanley may transact, or has transacted, with other clients or trading counterparties, in addition to any disclosed fees that may be charged to access particular sources of liquidity. In determining the price on any trade, we take into account a number of factors that are described in the attached Annex A to this letter. In addition, to the extent we execute a trade with you through internal sources of liquidity, and that liquidity is sourced from another client, we may also receive additional compensation on, and fees for, the trade we execute with our other client.

Our receipt of a FIC Transaction Request and any indication we provide to you that we are “working” on trade execution with you, is our indication that we are willing (but not obligated) to enter into all or a portion of a trade at the price requested by you, and we do not assume any market risk or legal obligation with respect to such FIC Transaction Request until we have agreed to execute a trade with you. At or about the same time that we receive your FIC Transaction Request, we may also be executing transactions in similar or related products as a result of our market making activities for other clients and to hedge our risk with respect to these products. More specifically, for bids/offers wanted in competition (“BWICs” and “OWICs”), it is possible that we may independently submit a bid or offer that is at or above a bid or at or below an offer that you have submitted in the BWIC/OWIC without taking your bid or offer into account.

In light of all these activities, we will exercise discretion as to how we may satisfy your FIC Transaction Request and our other market making activities, including as to timing, prioritization, aggregation and manner of execution, as well as to the amount and price of your fill. In the case of “call orders” in foreign exchange, we will also exercise discretion in terms of if and when we will contact you if the market reaches certain levels. In all cases, our handling of these requests will be dependent on our ability to access liquidity (such as in the case of “market” or “at best” orders) or liquidity at the relevant or better price (such as in the case of “stop loss”

or “limit” orders). In addition, your transaction will likely include what we believe is a reasonable spread as described above. For “stop loss,” there is a risk, particularly in times of market volatility or stress, that your FIC Transaction Request may be triggered in a manner or at a time that you do not expect (if at all), or at a level that may be worse than you requested. For both “stop loss” and “limit” orders, Morgan Stanley may, on notice to you, watch these orders at levels that include a reasonable spread and reserves the right to retain all or part of any price improvements in the market, in light of the greater risk we take in executing such FIC Transaction Requests. This may also impact the amount of your fill. For requests at “market,” any upside or downside fluctuations in the price at the time of execution may be passed to you.

Your FIC Transaction Requests may also be subject to priorities and/or aggregation we determine in our discretion that may result in either Morgan Stanley’s own trades or other client trades being executed ahead of, or alongside, any trades we execute with you, which may impact the price of your transactions, the timing of execution and/or the amount of your fill. There may also be inherent latencies at both internal and external venues that result in delays between the time we receive your requests and the time we seek to execute trades resulting from such requests. These latencies and our risk management practices may impact whether we execute transactions relating to all or a portion of your FIC Transaction Requests and the price at which transactions are executed. For example, we may reserve a “last look” in order to determine whether there have been any intervening price moves, market disruptions or other unusual market conditions. If we determine to execute, the costs or benefits of any price changes arising from these risk management practices may, in our discretion, be retained by us or passed on to you.

For more information regarding our foreign exchange, precious metals and fixed income bonds and swaps risk management practices, please refer to the attached Annex B. When negotiating any particular transaction with us, you may ask that we access or avoid specific sources of liquidity in the relevant market. Please note that our ability to facilitate such a request will vary, and may limit the execution services we are ultimately able to offer you in any particular case.

## **Client Information**

The proper handling and treatment of client information is an important part of how we conduct our business. Morgan Stanley also has policies and procedures to assist in the identification, prevention and management of conflicts of interest between Morgan Stanley and you, or between you and another Morgan Stanley client, that may arise in the course of your interactions with us. Notwithstanding these conflict management policies and procedures, we may in certain circumstances disclose to you specific information regarding the source and nature of a particular conflict as well as the steps taken by us to mitigate such conflict.

Morgan Stanley has controls that are designed to protect your information, both internally (on a “need to know” basis) and externally. This includes client bids submitted in U.S. Treasury (“UST”) auctions and actual or potential transactions in “when issued” UST securities, UST futures and UST swaps. Please be advised that you are obligated to report your net long position to the U.S. Treasury if you bid in an auction for \$100 million or more of UST notes, bills or

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bonds (“UST Securities”), as required by Section 356.14(d) of Department of the Treasury Circular (the “UST Circular”), and that customer confirmation reporting requirements under Section 356.24 of the UST Circular apply if you are awarded \$2 billion or more in a UST Securities auction.

You should understand that Morgan Stanley makes use of information contained in FIC Transaction Requests and transactions you execute with Morgan Stanley (“FIC Product Transactions”), in order to undertake its principal trading and market making activities described in this letter, including but not limited to, sourcing liquidity, effectuating and risk managing the transactions themselves, and managing our risk (including counterparty credit risk) and inventory on an individual, portfolio or other basis. In connection with any FIC Transaction Request or FIC Product Transaction (including any new issue allocation), this includes Morgan Stanley personnel (including personnel in our fixed income private side businesses) disclosing on a “need to know basis” not only the terms of your FIC Transaction Request or FIC Product Transaction to Morgan Stanley public side traders and other public or private side personnel, but also your identity or other information from which these public side personnel may identify you. Morgan Stanley enters into transactions from time to time with third parties to mitigate its counterparty credit risk arising from FIC Product Transactions (“Credit Mitigation Transactions”). In certain potential or actual Credit Mitigation Transactions involving FIC Product Transactions that are not fully margined, Morgan Stanley may disclose to third parties aggregated and anonymized information regarding a portfolio of these FIC Product Transactions with you and other counterparties, and may disclose your identity as one in a list of potential counterparties that includes entities that are, and entities that are not, counterparties. In addition, and unless you instruct otherwise, Morgan Stanley may use the economic terms of a FIC Transaction Request or a FIC Product Transaction (but not the client identity) to test liquidity and/or execute trades with one or more third parties (including interdealer brokers), in order to source liquidity.

In addition, as part of its regulatory relationships, Morgan Stanley entities also disclose client information (including, in certain cases, transactions executed by affiliates of such Morgan Stanley entities) as requested or required by regulators and self-regulatory authorities (including without limitation, swap execution facilities, multilateral trading platforms, exchanges and clearinghouses) around the globe and under applicable laws, rules and regulations.

With regard to FIC Product Transactions, Morgan Stanley analyzes this information on an individual and aggregate basis for a variety of purposes that include not only counterparty, portfolio and inventory risk management, but also sales coverage and client relationship management. In addition, Morgan Stanley may analyze, comment on and disseminate anonymized and aggregated information regarding FIC Product Transactions, as well as FIC Transaction Requests that may be away from the current market, together with other available information regarding various markets, internally and to its clients as part of its general market commentary and trade ideas.

## **Risk & Other Disclosures (Including Inter-Bank Offered Benchmarks)**

Trading in FIC Products involves a variety of risks, including those arising from macroeconomic actions, such as interventions by and/or the raising or lowering of interest rates by central banks, and geopolitical events, where sanctions, capital and/or currency controls and/or other actions may adversely impact the ability to trade or settle currencies, bonds or other assets.

We also encourage you to review important regulatory and other disclosures describing Morgan Stanley's role as a swap dealer and security-based swap dealer (including material risks of trading swaps, conflicts of interest and our "Additional FID Disclosures" document), which are available at [Matrix/Disclosures](#), and in executing orders in ETFs, which are available in our Sales & Trading Disclosures at [Disclosures](#). If you do not have access to Matrix/Disclosures, please contact your Morgan Stanley representative in order to obtain such access.

In addition, our swap dealer and security-based swap dealer disclosures available at [Matrix/Disclosures](#) include risks related to inter-bank offered benchmarks ("IBORs"). While the LIBOR benchmarks have ceased, certain IBORs such as EURIBOR, continue to be published and are used in a wide variety of financial products, and our disclosures are applicable not only to swaps but also cash and loan products linked to such IBORs.. ISDA maintains on its website a [Benchmark Reform and Transition from LIBOR InfoHub](#). We also post additional IBOR risk disclosures at [Disclosures](#), which we update from time to time based on recent developments in the IBOR transition.

## **Additional FMSB Standards Disclosure**

Morgan Stanley & Co. International Plc ("MSIP") has confirmed its adherence to various Financial Markets Standards Board ("FMSB") Standards and Core Principles, and its adherence is re-affirmed annually by a Statement of Commitment to the FMSB. Annex C of this letter includes supplementary disclosures with respect to certain FMSB Standards.

## **Conclusion**

Morgan Stanley is dedicated to upholding a high level of integrity and adhering to published industry best practices (such as those published by the TMPG, GFMA, IOSCO, the FSB, the Global Foreign Exchange Committee and other similar industry bodies) in our dealings with clients. This includes relying on the apparent authority of your personnel with respect to FIC Transaction Requests and the execution of any trades.

This letter is meant to underscore Morgan Stanley's commitment to providing clients transparency on our business practices. If you have questions after reading this letter or our dealings with you, we encourage you to contact your regular Morgan Stanley client service representative.

## **Fixed Income & Commodities Trading Practices and Information**

### **Annex A – Pricing Factors**

The price at which you trade with Morgan Stanley will depend on a number of factors, including those set out below. This list is not exhaustive and Morgan Stanley may take into account other factors that it considers appropriate in determining that price.

- A. The type of product, transaction and market in which the product would be traded, such as:
- (i) the trading venue (*e.g.*, single dealer or third party electronic or voice trading platform or exchange);
  - (ii) the type of FIC Transaction Request (*e.g.*, expression of interest or order, and terms of such request, including “stop loss,” “at best” or “limit”);
  - (iii) the size, type and direction of the transaction;
  - (iv) market conditions, including market events, liquidity, volatility and time of execution;
  - (v) transparency of the market, including visible liquidity, trading volume and available external venues or platforms; and
  - (vi) the accessibility by Morgan Stanley of third party quotations and other pricing information;
- B. Internal costs to Morgan Stanley, such as counterparty credit risk, hedging and market risk, funding, capital and overhead;
- C. Client-specific factors, such as: the volume, types of trades and frequency/velocity of trading the client executes both with Morgan Stanley and in the market; credit quality; type of collateral posted; and potential market impact; and
- D. Applicable regulatory requirements.

## **Fixed Income & Commodities Trading Practices and Information**

### **Annex B – Foreign Exchange, Precious Metals & Fixed Income Bonds & Swaps**

Morgan Stanley provides price quotes to, or (for certain limited product types) receives orders from, and executes over-the-counter transactions with, its clients in the FIC markets on a principal basis (and not as fiduciary or agent unless specifically agreed with you).<sup>3</sup> Unless otherwise agreed with you in writing, all confirmations of (i) foreign exchange transactions are subject to the 1998 ISDA FX and Currency Option Definitions; and (ii) precious metals transactions are subject to the 2005 ISDA Commodity Definitions; in each case including all annexes and supplements to such definitions, as in effect on the trade date of any such transactions and regardless of whether such confirmations specifically refer to such definitions.

Expressions of interest or, as applicable, orders in FIC products may be submitted electronically or by voice or other traditional communication channels, and there is no guarantee that any such request will be filled, in whole or in part. Foreign exchange orders submitted electronically are time stamped upon receipt by Morgan Stanley and voice orders that are not subject to immediate execution are time stamped when input into our order management system.

In the case of either expressions of interest or, as applicable, orders, Morgan Stanley may utilize algorithms, smart order routers and technology which take into account a variety of factors (including, but not limited to, the terms applicable to the type of FIC product, the time zone/region in which an order or expression of interest is submitted, current market conditions, liquidity, size of order or expression of interest, historically observed fill rates and other proprietary factors we determine to be relevant) and are designed to access external and/or internal sources of liquidity, in order to provide what we deem to be the fairest bids, offers and executions reasonably available under the circumstances.

Morgan Stanley uses the common industry practice of “last look” which may result in the adjustment of its price quotes prior to execution.

#### **Electronic Quote-Based Trading**

In electronic quote streaming, Morgan Stanley applies a series of “last look” checks, in order to determine whether to accept or reject a request to trade on a streamed quote. This is to protect against losses on trades in circumstances: where a trade would breach credit or other limits; where the requested trade has incomplete or insufficient transaction terms or represents liquidity already accepted on another platform; or there are intervening price moves, technical latency, market disruptions and/or unusual market conditions (collectively, “Risk Events”). In addition, third party trading platforms may apply their own “last look” checks to quotes streamed by Morgan Stanley over these platforms, and these checks may be different from ours.

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<sup>3</sup> This includes off exchange block futures and EFRPs per exchange rules.

# Morgan Stanley

Our “last look” trade acceptance parameters are reviewed periodically by us and may be adjusted based on your trading activity and our overall risk tolerance.

## **A. Electronic Quote-Based Trading -- FX & Precious Metals**

In the case of electronic trading where clients receive streaming foreign exchange and precious metals price quotes over Morgan Stanley proprietary trading platforms, third party trading platforms, and FIX API's, Morgan Stanley's electronic trading business (“MSE-Trading”) applies “last look” trade acceptance parameters to protect it against losses arising from Risk Events. These parameters are applied promptly and without delay, and our current “last look” minimum window is zero and the typical upper bound of our window is 10 milliseconds (subject to technological or market events that may arise from time to time). We do not use an “additional hold time” (as such term is defined in the U.K. Financial Conduct Authority's recognition of the revised FX Global Code and the Global Precious Metals Code dated 19 November 2021) in our electronic foreign exchange or precious metals quote streaming. We do not use the last look window to “pre-hedge” your transaction requests prior to trade acceptance or rejection.

Trade requests (each, an FX/PM Transaction Request) that fail any trade acceptance parameter will be rejected. Our default practice is to apply trade acceptance parameters “symmetrically,” *i.e.*, if the price move, regardless of direction, is greater than a specified threshold, your FX/PM Transaction Request will be rejected. You may request to opt-out of the symmetrical application of these “last look” trade acceptance parameters, thus receiving asymmetric application of these parameters. This choice may increase your overall trade acceptance rate and narrow the spread of the quotes provided to you.

We may in our discretion (and unless you request specific instructions and execution methodology) use our electronic trading technology, and apply our “last look” trade acceptance parameters, when executing all or a portion of your FX/PM Transaction Requests submitted to our institutional foreign exchange or precious metals desk by voice or other traditional communication channels.

## **B. Electronic Quote-Based Trading -- Bonds & Swaps**

In addition to electronic FX and precious metals quote streaming, Morgan Stanley streams quotes to clients on fixed income corporate and sovereign bonds and over-the-counter interest rate and credit swaps through third party platforms and dedicated FIX API's. On protocols that allow dealers to apply “last look” trade acceptance parameters, Morgan Stanley promptly applies these parameters, in order to protect it against losses arising from Risk Events. Trade requests that fail any trade acceptance parameters will be rejected. In the case of its “last look” price check, Morgan Stanley applies its trade acceptance parameters “symmetrically,” *i.e.*, if the price move, regardless of direction, is greater than a specified threshold, your request to trade on a streamed quote will be rejected. There is no “additional hold time” and we do not use the last look window to “pre-hedge” your transaction requests prior to trade acceptance or rejection.

# Morgan Stanley

## Electronic Order-Based Trading (Fusion)

Orders in foreign exchange, precious metals and U.S. Treasuries (“UST”) that you submit electronically (which may include algorithmic order types such as volume-weighted-average-price and time-weighted-average-price orders) for the purpose of being filled by our electronic management system (“Fusion”) may be filled by Morgan Stanley accessing one or more of the following: (1) external market centers selected by Morgan Stanley in the relevant foreign exchange or precious metals or UST markets (including but not limited to, trading platforms, inter-dealer brokers and third party matching venues), which are determined by Morgan Stanley in its sole discretion taking into account a variety of factors, including available liquidity, (2) our internal market making desk as a liquidity provider, or (3) our internal Morgan Stanley matching engines (which includes, in the case of UST, MS Bond). No assurance can be given that your order will be filled by accessing any of these liquidity sources. If requested, you may be able to opt out of our interacting with our internal market-making desk, matching engines and/or certain external foreign exchange or precious metals or UST market centers.

In the case of Fusion orders, when we source liquidity from external market centers, the price we receive from the external market center, plus a pre-agreed fee, is the price at which we execute our principal trade with you (*i.e.*, ‘print for print’). These external market centers may apply their own “last look” trade acceptance parameters to any trade request Morgan Stanley seeks to execute in order to fill your order with liquidity from these market centers.

We only source liquidity for Fusion orders from our internal market making desk, as a liquidity provider, when the all-in price of a trade will achieve executions at prices which we believe are equal to or better than the prices visible to us on internal or external FX or precious metals or UST market centers (inclusive of any pre-agreed fee)<sup>4</sup>. When we act as a liquidity provider, your execution is not related to a specific external market execution. Unless explicitly pre-agreed with you, these executions for Fusion orders are provided on an “all-in” basis, and no additional execution fees apply.

In circumstances where we source liquidity for Fusion orders internally as the operator of a matching mechanism, we only do so when the price of a trade will achieve executions at prices which we believe are comparable to those visible to us on external FX or precious metals or UST market centers. These executions are subject to our pre-agreed fee.

Morgan Stanley electronic trading (“MSE-Trading”) offers clients the ability to have their open Fusion orders visible only to personnel in our MSE-Trading foreign exchange and interest rate (“Macro”) business or, in the case of precious metals, our MSE-Trading Macro and Commodities businesses. Clients may request this “limited visibility.” Otherwise, orders will be seen more broadly across these businesses. Regardless of a client’s configuration, personnel in Macro (and, in the case of precious metals, Macro and Commodities) business management, legal, compliance, risk management, technology and other support functions may obtain access to live client order data. In addition, commencing on or about 5 p.m. in New York on every Friday and ending on or about 7 a.m. in Hong Kong on Monday, any “limited visibility” of open Fusion orders that has been requested by clients is expanded to other sales and

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<sup>4</sup> We may also source liquidity internally in limited circumstances where external sources of liquidity are unavailable or unreliable.

# Morgan Stanley

trading personnel in our Macro business, in order that we may effectively manage live orders during the weekly foreign exchange, precious metals and UST market open. If a significant market disruption or business continuity event were to occur, any such “limited visibility” of open Fusion orders may also temporarily and without notice be expanded to other sales and trading personnel in our Macro business, so that we may continue to manage live orders during the occurrence of such event.

## **Benchmark Orders**

Foreign exchange benchmark orders, including for the WM Reuters fix, may be submitted by voice or electronically and are executed at the benchmark price plus either (a) the published benchmark bid/offer or (b) an agreed fee, which in either case is embedded in the all-in rate that is communicated to you after the relevant fixing is published.

LBMA precious metals benchmark orders are only available in limited circumstances where agreed with you in advance. Where such an order is taken, you will be filled at the relevant LBMA Price, as applicable, plus a pre-agreed fee.

## **Fixed Income & Commodities Trading Practices and Information**

### **Annex C – FMSB Standards (supplementary disclosures)**

#### **1. Standard for the sharing of investor allocation information in the fixed income primary markets**

If you receive an allocation of securities from Morgan Stanley as part of a new European bond issuance that is in scope of the [FMSB Standard for the Sharing of Investor Allocation Information](#), your allocation and identity may be disclosed internally as provided in the Client Information section of this letter. You may opt out of this limited sharing of your allocation information with Morgan Stanley traders by contacting your usual Morgan Stanley representative.

#### **2. Reference Price Transactions standard for the Fixed Income markets**

MSIP adheres to the Core Principles relevant to Reference Price Transactions, as outlined in the FMSB Reference Price Transactions standard for the Fixed Income markets. The Reference Price Transactions will be principal to principal trades and will not constitute client orders under the EU or UK Markets in Financial Instruments Directive II (“MiFID II”). In addition, we will not owe you a duty of best execution in connection with Reference Price Transactions. We may trade ahead of, alongside or following the specified reference time of your Reference Price Transactions. Please refer to the Principal Trading & Market-Making section for further information in this regard.