

Alternative Liquidity Facility U.S. (ALF)

What is MS Alternative Liquidity Facility?

The Morgan Stanley Alternate Liquidity Facility (ALF) provides access to additional sources of off-exchange liquidity from external broker dealers referred to as external liquidity providers (ELPs).

Key characteristics

- Automated offering
- Anonymous to the ELP
- Operates during continuous trading, excluding opening and closing auctions

How does ALF work?

- ELPs stream indications of interest (IOIs) containing symbol, side, and quantity to MS
- MS incorporates the IOIs into its view of available liquidity and may send an immediate or cancel order (IOC), with a limit price at or within the National Best Bid and Offer (NBBO), in response
- ELPs respond with an execution or a cancellation
- MS monitors for latency and 90%+ fill rates from each ELP
- Morgan Stanley may disable ALF at its discretion

Enablement

- Clients may choose to participate in the ALF program by opting-in via an MS representative

Visibility/Interaction

- Client identifiable information is not passed to the ELP, pre or post trade
- Client flow segments are not provided to the ELP
- MS does not pay or accept payments from ELPs for their participation in ALF

ALF execution messages will reflect the ELP as your counterparty. Morgan Stanley provides Transaction Cost Analysis (TCA) upon request, which includes a breakout of your ALF executions.

Morgan Stanley principal flow may utilize this facility on terms which may differ from the client-specific terms outlined here.

Additional details about Morgan Stanley's U.S. equity order handling and routing practices are available at www.MorganStanley.com/disclosures/. Please reach out to your Morgan Stanley representative with any questions about these offerings.

Note: Content provided herein is accurate as of Q3 2025 and is subject to change.
