

## Morgan Stanley Automated Liquidity U.S.

### What is MS Automated Liquidity?

MS Automated Liquidity (MSAL) is an automated capital commitment offering, managed by Morgan Stanley Electronic Trading (MSET), that provides MS liquidity to eligible orders, as described below.

### Key characteristics

- Automated offering
- Anonymous to the risk desk providing capital
- Operates during normal trading hours, including closing auctions

### How does MSAL work?

- May interact with algorithmic and smart order router flow, including Market on Close and Limit on Close order types
- May provide liquidity at any point in the life of the order
- Intraday, positions are held in an MSET account that is segregated from the risk desk providing capital
- Intraday risk management of the MSET account occurs in the following ways:
  - MSAL may facilitate orders which offset MSAL positions established earlier that day
  - MSAL also may attempt to reduce risk by facilitating closing auction orders
- Portfolio level risk may be hedged intraday by the risk desk committing capital via ETFs, futures or similar products
- Positions are transferred to the risk desk after market close on trade date, and may be liquidated beginning on T+1
- Morgan Stanley may disable the MSAL offering at its discretion
- Facilitations will occur at or within the NBBO at the time execution, or the primary market closing price

### Enablement

- MSET clients may choose to participate in the MSAL program by opting-in via an MS representative
- Clients choosing to interact with Morgan Stanley's high touch offering are enabled for MSAL by default

## Risk Desk Visibility/Interaction

- The risk desk providing capital:
  - Does not have intraday access to position or execution level details
  - Does not have intraday or historical access to order level details such as client identity (i.e., capital is provided anonymously)
  - Has real-time access to MSAL portfolio level risk to allow for intraday hedging
  - Parameterizes the MSAL offering for future trading sessions based on, among other things, historical MSAL executions
- The level of client interaction with MSAL may vary depending on the nature and style of client trading

MSAL executions will reflect Morgan Stanley (MSCO) as your counterparty. Morgan Stanley provides Transaction Cost Analysis (TCA) upon request, which includes a breakout of your MSAL executions.

Morgan Stanley principal flow may utilize this offering 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/](http://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.