TRS

As a top 1 synthetic equity provider, we've built a strong equity swap business. Here's a quick look at how a total return swap works: Without physically owning the position, you can get exposure to the underlying assets. Imagine is you buy a Total Return Swap (TRS) on a single name stock. By taking a long position through a TRS, you would receive the full return of that stock, which includes both the price movements and dividends. In return, you will pay us a financing cost which is a benchmark rate plus a spread **(explain lower than borrowing or not, and CA for a single name swap, commission will be included in the perf of swap)** You’ll also need to cover the negative performance if the price goes down. The profit can be realized through a reset. The right to receive dividends is recognized starting from the ex-dividend date, can be paid at announced pay date, reset or unwind. You can decide the reset frequency.(div accrued or not)

This swap can be fully funded but can also be leveraged. It’s an easy way to take leverage. Imagine you want to take $1 million worth of exposure to a company like Tesla. With a TRS, you only need to post a margin, instead of paying the full price for the asset. **( single name swap collateral amount)**

Also TRS gives you easy access to a wide range of markets. Whether you are interested in stocks from the US, Europe, or even emerging markets, you can gain exposure without dealing with the some barriers like foreign account setups or large capital requirements. We as a global leading institution in equity market, we offer you access to 77 listed exchanges through a single relationship with MS. It’s like having a key to enter any stock market you choose, quickly and easily.

**Short Access:** short access to a market is quite straightforward. With TRS, if you take a short position, you can receive the negative performance of a stock without owning it. We will pay you a benchmark minus a spread. It’s a good way to speculate on declines in asset price without engaging in the complicate of short selling process. **You don’t need to worry about the availability of the asset. (real?)**

Now let’s take a closer look at some products we offer. Each of these products is designed to provide solutions to your investment needs, helping you manage your exposure to the market.

**Single Name Swaps:**

Let’s begin with our Single Name Swap. If you have a strong view on a specific stock or if you want the benefits of dividend payouts but don’t want to physically hold the security and want to reduce your capital layout, or the market has high barrier to enter, you can choose to write a single name swap with us, we provide excellent support for corporate actions and dividend payment. You send us single order for each security we will then deliver the performance to you. If you want to get exposure to multiple underlying securities, you can send multiple orders for each security and each stock will be shown individually in the swap contract. ( any profit compare to single name swap?)

**Index Swaps:**

We can also provide access to a range of index via swaps. Whether you're interested in the MSCI Global indices, specific country indices, main market indices, or niche sector indices, we've got you covered. Our index swaps offer both long and short exposure to markets in the US, Europe, and Asia, providing a straightforward way to mirror the market performance you're targeting. It's all about making global investing as easy as possible. We will perform the index rebalance for you.

**Custom Basket Swaps:**

What if you want to remove an undesired name or if you want to customize your own basket? Our Custom Basket Swap offers big flexibility, allowing you to design a basket, you can assign custom weighting and we create basket for you and achieve zero tracking error relative to the underlying stocks. If you are looking to trade around events, exploit rapid market movements, hedge against potential downturns, or for different tactic reason. You can create the basket. Send us a list of stocks then we will give you direct exposure to it. you can also choice to take leverage. You can get exposure which is not available through listed products

Also you can invest in existing thematic baskets created by MS. For example, our Republican Long Basket surged by 4.94% wow post-US election. We also have US Tariff Impacted Basket, where we strategically shorted in response to market dips caused by red sweeps. And again for election related baskets, our Renewable Basket presented a prime short opportunity with a downturn of 3.35%.

All baskets are available to view in BBG to track weights, price and many other market data,

You can trade a portfolio as one ticker with one fill, with variety of trade execution benchmarks （ VWAP， TWAP ect.）our team is here to help you create and manage these baskets efficiently.

**PEPs:**

combine the advantages of single-name and index swaps with the flexibility of a custom basket, all while significantly reducing custody costs. PEPs offer a single line of economic exposure, encapsulated within a performance basket that's dynamically adjusted daily based on your specific orders. This bespoke solution is ideal for executing sophisticated long/short strategies, providing the agility necessary for making frequent adjustments in response to fast-moving market conditions.

With PEPs, you can seamlessly combine the net performance of your long and short positions into a single ticker, simplifying the management of multiple assets and giving you a clearer overview of your overall strategy’s performance. Moreover, PEPs allow you to maintain exposure in local currencies while reporting net performance in the basket’s currency, thus eliminating currency conversion distractions.

PEPs are especially suited for more frequent equity long/short adjustments, enabling you to respond quickly and effectively to market opportunities and risks. The precision and adaptability offered by PEPs ensure that you can tweak your positions with ease, keeping your strategy aligned with market dynamics.

Every aspect of the PEPs is meticulously tracked on platforms like Bloomberg, offering unparalleled transparency and easy access to up-to-date performance data. Opt for the advanced capabilities of our PEPs to revolutionize your market interaction—optimized, streamlined, and highly responsive to your strategic needs